



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 178 (as introduced 2-22-17)

Sponsor: Senator Jim Stamas

Committee: Transportation

Date Completed: 3-8-17

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- **Require the Secretary of State (SOS), by January 1, 2018, to develop and issue fund-raising plates or collector plates recognizing the Detroit Red Wings, the Detroit Tigers, the Detroit Lions, the Detroit Pistons, and Michigan International Speedway (MIS).**
- **Create the "Detroit Red Wings Fund", the "Detroit Tigers Fund", the "Detroit Lions Fund", the "Detroit Pistons Fund", and the "MIS Cares Fund".**
- **Require donations for the proposed plates to be deposited into the respective Fund, to be distributed to the Detroit Red Wings Foundation, the Detroit Tigers Foundation, the Detroit Lions Charities, the Come Together Foundation, and MIS Cares, as applicable.**
- **Require each of those recipients to disburse the money to tax-exempt eligible nonprofit organizations.**
- **Require the SOS to discount a start-up fee to reflect any cost savings realized if multiple new fund-raising plates were developed at the same time.**
- **Specify that the SOS could not cease to issue a fund-raising plate that was available for sale on February 1, 2017, and that failed to meet a sales goal, if the failure occurred before that date.**

The bill would take effect 90 days after it was enacted.

Fund-Raising/Collector Plates

The bill would require the SOS, by January 1, 2018, to develop under Section 811e and issue under Section 811f fund-raising or collector plates recognizing the Detroit Red Wings, the Detroit Tigers, the Detroit Lions, the Detroit Pistons, and MIS. Each plate would have to bear an appropriate logo. Each of the teams, or a representative or agent of MIS, as applicable, would have to submit a design for its logo to the SOS.

(Section 811e prescribes a start-up fee for any new fund-raising plate in an amount equal to a three-year average of the cost to the SOS of developing a new plate, as calculated by the SOS on January 1 of each year, and requires the fee to be deposited in the Transportation Administration Collection Fund to be used for the cost of creating, producing, and issuing fund-raising plates. Section 811f authorizes the SOS to issue a fund-raising plate instead of a standard registration plate upon application, which must be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax prescribed in the Code, and a \$10 service fee.)

The bill would create the Detroit Red Wings Fund, the Detroit Tigers Fund, the Detroit Lions Fund, the Detroit Pistons Fund, and the MIS Cares Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Funds.

The Treasurer would have to direct the investment of the Funds and credit to them interest and earnings from Fund investments. Money in the Funds at the close of the fiscal year would have to remain in the Funds and not lapse to the State General Fund. The State Treasurer would be the administrator of the Funds for auditing purposes.

The SOS would have to transfer the donation money from the sale of fund-raising plates recognizing the teams and MIS to the State Treasurer, who would have to credit the donation money to the appropriate Fund. The State Treasurer would have to disburse money in the Funds on a quarterly basis to the Detroit Red Wings Foundation, the Detroit Tigers Foundation, the Detroit Lions Charities, the Come Together Foundation, and MIS Cares, as applicable.

Money disbursed to the foundations under the bill would have to be distributed to eligible nonprofit organizations that were exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

In addition, the bill would require the Secretary of State to discount a start-up fee to reflect any cost savings the SOS realized if multiple new fund-raising plates were developed at the same time.

Sales Goal Failure Revision

Under the Code, the SOS must cease to issue a fund-raising plate or a duplicate replacement of a fund-raising plate for use on a vehicle if that plate fails to meet or exceed the following sales goals:

- In the first year, 2,000 plates.
- In the second and each subsequent year for five years, 500 original plates.
- For each subsequent consecutive two-year period after the five-year period, 500 original plates.

If, on February 28, 2017, the number of fund-raising plates available for sale exceeded a limit of 20 different plates, the SOS may not cease to issue a fund-raising plate that fails or failed to meet a sales goal before April 1, 2017. Under the bill, instead, the SOS could not cease to issue a fund-raising plate that was available for sale on February 1, 2017, and that failed to meet a sales goal if the failure occurred before that date.

MCL 257.811e & 257.811h

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would create a start-up cost to the Department of State. The current estimated start-up fee is \$15,000 but would have to be discounted if the Secretary of State realized cost savings from the development of multiple new plates at the same time. As prescribed in the Code, the start-up fee for each new plate would be paid to the Department by the sponsoring entity; however, the bill does not include such a requirement. The State Treasurer would disburse payments from the proposed Funds on a quarterly basis to the Detroit Red Wings Foundation, the Detroit Tigers Foundation, the Detroit Lions Charities, the Come Together Foundation, and MIS Cares, which would be required to distribute the funds to tax-exempt nonprofit organizations.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.