



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 106 (as passed by the Senate)
Sponsor: Senator Dayna Polehanki
Committee: Transportation and Infrastructure

Date Completed: 7-29-25

RATIONALE

Reportedly, the State faces an animal welfare crisis. According to data gathered by the American Veterinary Medical Association, an estimated 62% of Michigan households owned a pet in 2018.¹ Despite this, testimony before the Senate Committee on Transportation and Infrastructure indicates that many animal shelters are at or above capacity, having to reduce intake. In areas of the State with limited access to shelter services or placement, the population of stray and feral companion animals only grows. Some believe that spaying and neutering companion animals would reduce the number of homeless pets and the strain on shelters; however, the cost to spay or neuter a pet may be prohibitive for many families. Accordingly, it has been suggested that the State introduce a fundraising plate to support low-cost spay and neuter efforts.

CONTENT

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

- **Require the Secretary of State (SOS) to develop a fundraising plate, in conjunction with the Michigan Pet Alliance (MPA), to support efforts to improve the welfare of companion animals.**
- **Create the Protecting Michigan's Pets Fund (Fund) within the State Treasury and require money from the sale of these fundraising plates to be deposited into the Fund.**
- **Require the State Treasurer to disburse money in the Fund on a quarterly basis to the MPA.**

Specifically, the bill would require the SOS to develop under Section 811e and issue under Section 811f a fundraising plate recognizing the need to address the overpopulation of the State's companion animals and to support the humane care and health care of homeless and abused animals in the State's shelters and rescues. The SOS, in conjunction with the MPA, would have to design the fundraising plate.

(Section 811e of the Code prescribes a start-up fee for any new fundraising 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 fundraising plates. If the fee is not paid within 18 months after the effective date of the public act that authorizes the development and issuance of a fundraising plate, the SOS may not create, produce, or issue the related plate. The SOS may not develop or issue a fundraising plate unless a public act authorizing the plate identifies its purpose; creates a nonprofit fund or designates an existing nonprofit fund to receive the money raised through the sale of

¹ Plotts, Edwin, "Pet Ownership Statistics by State, And So Much More", *Pawlicy Advisor*, 2020.

the plates and matching collector plates; and, if a fund is created, names the person or entity responsible for administering it.

Section 811f authorizes the SOS to issue a fundraising 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.

Section 811g allows the SOS to develop, market, promote, and sell a collector plate. The SOS may do so only with funds available from the collection of service fees under the Code.)

The bill also would create the Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund. The State Treasurer would have to direct the investment of the Fund and credit to the Fund with interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would have to remain in the Fund and could not lapse to the General Fund. The State Treasurer would be the administrator of the Fund for auditing purposes.

The SOS would have to transfer the donation money from the sale of fundraising plates to the State Treasurer, who would have to credit the donation money to the Fund. The State Treasurer would have to disburse money in the Fund on a quarterly basis to the MPA.

Proposed MCL 257.811kk

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would help Michigan shelters alleviate the animal welfare crisis. Testimony indicates that many shelters are at-capacity, unable to take in more companion animals. In crowded shelters, disease spreads more easily, and animals may suffer from increased stress. Further, overcapacity puts puppies and kittens at greater risk of becoming homeless or being euthanized. Spaying and neutering companion animals is vital to controlling the companion animal population. According to testimony before the Senate Committee on Transportation and Infrastructure, cost is the greatest barrier families face when spaying or neutering their pets. Reportedly, the costs to operate a veterinary practice have increased since the pandemic, with many providers raising services costs as a result. Over the past decade, urban veterinary costs have increased by 60%.² In rural areas with limited access to veterinary care, services may be even more expensive.

Using half the funds raised through the purchase of the proposed license plate, the MPA would support the spay and neuter efforts of its members, which include animal rescues, humane societies, and shelters across the State. The funds would allow these organizations to spay and neuter more pets, reducing the number of at-risk companion animals and alleviating the burden on shelters. Additionally, half the funds would be used to support shelter staff, who, according to testimony, often face low wages and high stress. By supporting the MPA's efforts, the bill would assist Michigan companion animals and the staff and owners who care for them.

Opposing Argument

Subsidizing important veterinary care services may place companion animals at greater risk. Adopting and caring for a pet is a significant responsibility. Part of that responsibility includes

² Ortiz, Jorge L., "A big pet peeve: Soaring costs of vet care bite into owners' budgets", *USA Today*, April 17, 2024.

the provision of medical care, which is expensive. Families unable to afford spay, neuter, or other veterinary services should not adopt pets, as they cannot properly care for them. They may return their pets or their pets' offspring to a shelter or dump them, contributing to the pet homelessness crisis. The cost of veterinary care serves as a barrier to ownership, preventing Michigan families from risking their own finances and the welfare of their pets. The bill may harm companion animals more than it helps by making pet spay and neuter services but not pet ownership overall more accessible.

Response: Some families may make the painful choice to return or dump their companion animals; however, many make sacrifices to adopt and care for them regardless of the cost. People love their pets. By supporting low-cost spay and neuter efforts, the State would help Michigan families keep and care for their beloved pets.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The cost to create a fund-raising specialty plate currently averages an estimated \$90,000 for design and production of the plate. This start-up cost would first need to be paid by the MPA before the Department of State (DOS) would begin production and issuance of the plate.

Upon issuance of a fund-raising plate, the applicant would have to submit a \$25 fund-raising donation (\$10 donation for a renewal) along with the applicable vehicle registration tax. The fund-raising donations would be deposited into the Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the MPA. The vehicle registration tax revenue would be deposited into the Michigan Transportation Fund (MTF) while any other fee revenue, aside from the fund-raising donation, would be deposited into the Transportation Administration Collection Fund. Finally, there could be additional costs to the DOS associated with the development and issuance of the new plate; however, these costs should be minimal and absorbable within annual appropriations. The MTF likely would not see much of an increase in revenues as most applicants for the new plate already are likely paying the vehicle registration tax, which would not be affected under this bill.

Fiscal Analyst: Joe Carrasco, Jr.

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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.