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BILL ANALYSIS

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House Bill 4963 (as reported without amendment)
Sponsor: Representative David Law
House Committee: Transportation
Senate Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to repeal the October 1, 2005, sunset on the Code's provisions regarding fund-raising specialty license plates.

The Code allows the Secretary of State (SOS) to develop up to seven State-sponsored fund-raising registration plates. An application for a fund-raising plate must be accompanied by payment of the regular vehicle registration tax in addition to a \$25 donation and a \$10 service fee. An application for renewal of a fund-raising plate must be accompanied by payment of the regular registration tax and a \$10 donation.

The SOS must segregate the fund-raising service fees into a separate account for each type of fund-raising plate. After deducting the manufacturing and administrative costs associated with issuing, replacing, and substituting the plates, the SOS must transfer the balance to the State Treasurer, on a quarterly basis. The State Treasurer then must distribute the funds to the designated entity.

The bill would repeal a sunset date of October 1, 2005, for Sections 6d, 17b, 30b, and 811d through 811n. Those sections contain certain definitions; provide for the application process and fees for a fund-raising license plate and matching collector plate; and allow the SOS to issue fund-raising plates recognizing water quality, Michigan's children, Michigan lighthouses, nongame critical wildlife habitat, and agricultural heritage.

MCL 257.625 et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

The Department of State reports that in FY 2003-04, there were 196,598 fund-raising plate transactions generating \$1.2 million for special causes and \$1.2 million for 15 State universities.

If the sunset is not eliminated, the Department of State will have to replace fund-raising plates with standard issue plates at the next renewal date, and special causes and universities will not have the fund-raising plate option to generate revenue.

Date Completed: 9-13-05

Fiscal Analyst: Bill Bowerman