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BILL



ANALYSIS

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Senate Bill 128 (as reported without amendment)
Sponsor: Senator Cameron S. Brown
Committee: Transportation

(as passed by the Senate)

Date Completed: 5-19-09

RATIONALE

The motto "In God we Trust" was first featured on U.S. coins in 1864, and was officially designated as the national motto in 1956. On January 1, 2007, Indiana began issuing a license plate inscribed with the motto, available at the same cost as a regular license plate. That plate evidently has proven to be a popular choice among vehicle owners in that state. Some people suggest that Michigan should offer a similar plate but for an extra charge, as a way to raise revenue for the State and allow drivers to display the motto.

(Section 811e requires a \$15,000 start-up fee to be paid for any new fund-raising plate within 18 months after the effective date of the public act authorizing the plate. The fee must be deposited in the Transportation Administration Collection Fund and used for the cost of creating, producing, and issuing fund-raising plates.)

Section 811f authorizes the Secretary of State, upon application, to issue one fund-raising plate instead of a standard plate for use on a motor vehicle. A person applying for a fund-raising plate must pay a \$25 fund-raising donation, the regular vehicle registration tax, and a \$10 service fee. A person applying to renew a fund-raising plate must pay a \$25 donation and the regular registration tax.)

CONTENT

The bill would amend the Michigan Vehicle Code to require the Secretary of State (SOS) to design, develop, and issue a fund-raising plate with the words "In God We Trust" inscribed on the plate; and eliminate the limit on the number of State-sponsored fund-raising plates that may be developed.

MCL 257.811e et al.

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.)

The Code allows the SOS to develop at one time, up to eight different State-sponsored fund-raising license plates, along with matching State-sponsored collector plates. The bill would eliminate that restriction on the number of plates.

Supporting Argument

Placing the national motto on a fund-raising license plate would give Michigan residents the opportunity to display and express support for the motto and the values it represents. Indiana reportedly issued at least 1.0 million "In God We Trust" plates in less than one year. At least one other state, South Carolina, also has a plate bearing the motto. According to testimony before the Senate Transportation Committee on a previous proposal, there have been requests for a similar plate in Michigan. Given the

The bill would require the SOS to develop under Section 811e and issue under Section 811f a fund-raising plate inscribed with the words "In God We Trust". The Secretary of State would have to transfer the donation money from the sale of "In God We Trust" fund-raising plates to the State Treasurer, who would have to credit the money to the State's General Fund.

variety of specialty plates currently available, this plate would be an appropriate addition, satisfying consumer demand for more choices while also raising money for the State's General Fund. Consumers have demonstrated that they are willing to pay extra for specialty plates, and the revenue raised would help to ease financial pressures on the State during a time of tight budgets. The bill would generate \$25 for each initial plate and \$10 for each renewal.

Response: In Indiana, the "In God We Trust" plate is available at no extra cost. It is unclear whether demand for the plate would be as great if vehicle owners had to pay more for it.

Opposing Argument

As the number of different license plates grows, it becomes more difficult for law enforcement officials to determine which plates are legitimate. Limiting the number of specialty plates helps to prevent that type of confusion. The bill not only would provide for the "In God We Trust" plate, but would altogether remove the limit on the number of specialty plates allowed. Ornamental plates, which may be placed on the front of vehicles, could be an acceptable alternative that would allow Michigan drivers to display the national motto (or promote other causes that have been suggested for specialty plates) without increasing the proliferation of specialty license plates.

Response: Indiana currently has about 75 different plates available, including a variety of regular plates, university plates, and specialty plates supporting organizations, with no reported confusion over which plates are legitimate. Other states also have a large selection of license plates to choose from. It seems unlikely that the relatively small number of plates in Michigan would pose a problem.

Opposing Argument

The Indiana plate was the subject of a lawsuit, alleging that the plate represented an improper endorsement of religion by the state. Although the Indiana Court of Appeals upheld the constitutionality of the license plate, it is possible that the plate proposed under the bill could face a similar legal challenge in Michigan.

Response: Unlike the Indiana plate, which is offered as a regular license plate for no extra charge, the plate proposed by the bill would be offered only as a specialty plate, available at additional cost.

FISCAL IMPACT

The bill would create a start-up cost to the Department of State. The start-up fee of \$15,000 prescribed in the Code normally covers the Department's start-up costs; however, it is uncertain who would pay this start-up fee as the bill does not propose a nonprofit fund from which the start-up fee would be paid.

The bill would have no fiscal impact on local government.

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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.