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Senate Bill 571 (as passed by the Senate)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

Date Completed: 7-22-09

RATIONALE

Michigan law permits the Secretary of State to develop up to eight State-sponsored fund-raising license plates, which vehicle owners may choose instead of the standard license plate. The fund-raising plates cost an additional \$25 for an initial plate and \$10 for a renewal beyond the regular vehicle registration tax. The money raised from the plates goes to designated funds for the benefit of specific nonprofit organizations. Initially, the number of State-sponsored fund-raising plates was limited to six, and in 2000, six plates were developed to support wildlife habitat protection, lighthouse preservation, water quality protection, agricultural heritage, the Children's Trust Fund, and the Vietnam Veteran's Memorial. The Secretary of State (SOS) began issuing the fund-raising plates on April 2, 2001. Since that time, the limit on State-sponsored fund-raising plates has been increased twice, to allow for the creation of an "American Pride" plate and a "Support our Troops" plate.

According to the Secretary of State's office, as of March 2009, it had issued a total of about 800,000 State-sponsored fund-raising plates, as well as an additional 780,000 plates recognizing various Michigan universities. It has been suggested that the current limit on fund-raising plates be eliminated to allow for the creation of license plates featuring the logos of the Detroit Red Wings, Lions, Tigers, and Pistons, with the proceeds going to support charitable foundations run by the teams.

CONTENT

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

- **Remove the current limit on State-sponsored fund-raising license plates.**
- **Provide for fund-raising plates or collector plates recognizing the Detroit Red Wings, the Detroit Tigers, the Detroit Lions, and the Detroit Pistons.**
- **Create the "Detroit Red Wings Fund", the "Detroit Tigers Fund", the "Detroit Lions Fund", and the "Detroit Pistons Fund".**
- **Require donations for the Detroit team plates to be deposited into the corresponding Fund, to be distributed to the Detroit Red Wings Foundation, the Detroit Tigers Foundation, the Detroit Lions Charities, and the Pistons-Palace Foundation, as applicable.**
- **Require each of those foundations, beginning February 1, 2011, to submit to the State Treasurer a summary of the previous year's expenditures of the money received under the bill.**

The bill is described in detail below.

Plate Limit

The Code allows the SOS to develop up to eight State-sponsored fund-raising registration plates and matching State-sponsored collector plates at one time. The bill would remove that limit.

Red Wings, Tigers, Lions & Pistons Plates

Under the bill, a fund-raising plate or collector plate recognizing the Detroit Red Wings, the Detroit Tigers, the Detroit Lions, or the Detroit Pistons would have to bear an appropriate logo. Each of the teams would have to submit a design for its logo to the SOS. The SOS would have to confer with the Michigan Department of State Police to ensure that the designs would not compromise the ability of law enforcement agencies to identify specific vehicles accurately.

Registration plates bearing a Detroit Red Wings, Detroit Tigers, Detroit Lions, or Detroit Pistons logo could not duplicate another registration plate. Each of the teams would have to comply with certain provisions in the Code regarding the design of special organization plates.

The bill would create the Detroit Red Wings Fund, the Detroit Tigers Fund, the Detroit Lions Fund, and the Detroit Pistons 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 SOS would have to transfer the donation money from the sale of fund-raising plates recognizing the teams 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, and the Pistons-Palace Foundation, as applicable.

Beginning February 1, 2011, each of those foundations would have to submit to the Treasurer a summary of the expenditures during the preceding year of the money received under the bill.

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.)

Supporting Argument

While the Detroit Red Wings, Tigers, Lions, and Pistons are all well known sports franchises, many are unaware of the charitable foundations that the teams have established to help support and improve their surrounding communities.

The Detroit Red Wings Foundation supports nonprofit charitable organizations that provide athletic and educational programs for children and young people in the Detroit area. The Foundation offers grants for nonprofit organizations that promote hockey, health and nutrition, education, or recreation.

The Detroit Tigers Foundation was created in 2005, with the stated mission "to use the game of baseball to enhance the quality of life in our community with a focus on growth, education and recreation", according to the team's website. The Foundation funds field renovations and other projects to benefit baseball programs for youths in the Detroit area, and also donates free game tickets to be distributed to low-income children so those who otherwise might not be able to afford to attend the games can do so.

The Detroit Lions Charities supports charitable causes across Michigan, including grants to a local area football league for young people in Detroit, the Detroit Lions Academy, and the Athletes with Disabilities Hall of Fame.

The Pistons-Palace Foundation engages in a number of charitable activities to serve Detroit residents, including a major initiative to help support the maintenance and improvement of city parks. The Foundation also provides information and other assistance to help low-income individuals purchase homes within Detroit, distributes food and gifts to families in need during the holidays, and participates in a program that provides bicycles to disadvantaged youths.

The activities of these four charitable organizations help strengthen the community and promote athleticism among

young people. The bill would allow the creation of fund-raising license plates that would generate additional revenue for those organizations, giving them the resources to be even more effective in pursuing their respective missions.

State-sponsored fund-raising license plates have been shown to be an effective means of generating donations for charitable causes. The plates are popular with motorists as a way of supporting a cause while publicly displaying that support. Because the license plates feature a logo or design representing the cause or charitable organization, they also serve to raise the profile of the organization, potentially generating additional donations beyond the money raised directly.

The logos of the professional Detroit sports teams could be particularly popular, because they are widely recognized nationwide and are a source of pride for many Michigan residents. The fund-raising plates under the bill would give fans an opportunity to display those logos on their license plates, while supporting the work of their charitable foundations.

Opposing Argument

The current limit on the number of fund-raising plates was enacted to prevent the proliferation of license plate designs. For law enforcement purposes, it is preferable to minimize the number of different designs, so officers are able to distinguish Michigan plates from out-of-State plates quickly and accurately. As an alternative, bumper stickers featuring the team logos could be created and sold for the benefit of the charitable foundations.

Legislative Analyst: Curtis Walker

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 would be paid to the Department, separately from the Detroit Red Wings Fund, the Detroit Tigers Fund, the Detroit Lions Fund, and the Detroit Pistons Fund proposed in the bill.

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.