

Senate Bill 187 (Substitute S-2 as reported)
Sponsor: Senator Darwin L. Booher
Committee: Transportation

Date Completed: 5-26-11

RATIONALE

Amendments to the Michigan Vehicle Code in 2000 provided for the creation of up to six State-sponsored fund-raising license plates for the benefit of specific charitable causes. Purchasers of a fund-raising plate must pay a \$25 donation and a \$10 service fee above the cost of a standard plate. The \$25 is then deposited into a designated fund to be used for the cause associated with the plate. The original six fund-raising plates support wildlife habitat protection, lighthouse preservation, water quality protection, agricultural heritage, the Children's Trust Fund, and the Vietnam Veteran's Memorial Monument Fund. Since 2000, 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. The Secretary of State (SOS) reports that it has issued a total of about 986,000 State-sponsored fund-raising plates since it began on April 2, 2001, as well as an additional 994,000 plates recognizing various Michigan universities. It has been suggested that the current limit on fund-raising plates be eliminated and that a license plate in support of Ducks Unlimited, a nonprofit organization dedicated to wetlands preservation and restoration, be created.

CONTENT

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

- **Eliminate the eight-plate limit on State-sponsored fund-raising license plates.**
- **Require the Secretary of State (SOS) to develop a fund-raising plate and**

collector plate recognizing Ducks Unlimited.

- **Create the "Ducks Unlimited Fund" and require donations for those plates to be deposited into the Fund.**

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

Under the bill, the SOS would have to develop and could issue a fund-raising plate and collector plate recognizing Ducks Unlimited. The words "Ducks Unlimited" would have to be inscribed on the plate. The SOS would have to transfer fund-raising donations for the plates to the State Treasurer.

The bill would create the Ducks Unlimited Fund within the State Treasury. The State Treasurer would have to credit the donation money to that Fund, and disburse money in the Fund on a quarterly basis to the Michigan Chapter of Ducks Unlimited, Incorporated. The organization would have to use money received under the bill for the following purposes:

- To fund all aspects of wetland conservation, including protection, restoration, enhancement, research, and management throughout the State.
- To fund education and outreach regarding wetland conservation.
- To cover its reasonable advertising and administrative costs for the proposed fund-raising plate.

The Michigan Chapter of Ducks Unlimited would have to report annually to the Department of Treasury an accounting of money received and used under the bill.

The State Treasurer could receive money or other assets from any source for deposit into the Fund. The Treasurer would have to direct the investment of the Fund and credit to it 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 not lapse into the State General Fund.

MCL 257.811e et al.

BACKGROUND

Under the Michigan Vehicle Code, the Secretary of State may not develop or issue a fund-raising 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 the fund-raising plates and matching collector plates; and names the person or entity responsible for administering the fund.

The Code prescribes a start-up fee of \$15,000 for any new fund-raising plate authorized by the SOS. In addition, a fund-raising plate must meet or exceed sales goals of 2,000 in the first year and 500 each year for the next five years. The SOS may discontinue a fund-raising plate that fails to meet the sales goals.

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

Ducks Unlimited, Incorporated has a long history of preserving wetlands. Originally focused on preserving Canadian habitat for waterfowl, the organization has expanded to include chapters throughout North America. According to its websites, as of January 1, 2010, Ducks Unlimited had conserved more than 12.0 million acres of wetlands and waterfowl habitat in Canada, the United States, and Mexico. It also is reported that, since 1985, Ducks Unlimited and its partners have conserved more than 65,000 acres of wetlands and adjacent uplands in Michigan,

investing approximately \$24.8 million. The Michigan Chapter has over 30,000 members, and the organization has identified the Great Lakes system as a priority area for wetland and waterfowl conservation. The bill would allow those members and others to show support for the organization by purchasing a Ducks Unlimited license plate.

In addition to the money raised directly from the license plate, the public awareness it generated could spur additional contributions from the private sector to Ducks Unlimited. Furthermore, the organization could use the revenue as matching funds for Federal, State, and private grants. In the past, Ducks Unlimited reportedly has been able to leverage each dollar it receives four times, multiplying the benefits and further increasing the organization's ability to preserve and restore wetlands in the State.

Response: 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.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would create a start-up cost to the Department of State; however, the start-up fee of \$15,000 prescribed in the Code would have to be paid to the Department of State from the Ducks Unlimited Fund proposed in the bill. The revenue generated from the fund-raising license plate established under the bill would be deposited into the proposed Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the Michigan Chapter of Ducks Unlimited.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

A1112\§187a.

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.