

Legislative Analysis



MICHIGAN 4-H FUND-RAISING PLATE

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5056 as reported from committee
Sponsor: Rep. Reggie Miller

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5058 as reported from committee
Sponsor: Rep. Matthew Bierlein

Committee: Transportation, Mobility and Infrastructure
Complete to 10-25-23

SUMMARY:

House Bills 5056 and 5058 would amend the Michigan Vehicle Code to authorize the secretary of state to develop and issue a fund-raising license plate recognizing the Michigan 4-H.

House Bill 5058 would require the secretary of state to design the fund-raising plate in conjunction with the Michigan 4-H. The secretary of state would have to transfer the donation money from the sale of the plates to the state treasurer for credit to the 4-H Foundation Fund created in House Bill 5056.

Proposed MCL 257.811gg

House Bill 5056 would create the Michigan 4-H Foundation Fund within the state treasury.

The state treasurer could receive money or other assets from any source for deposit into the fund and would have to direct the investment of the fund and credit to it the interest and earnings from those investments. Money in the fund at the close of the fiscal year would remain in the fund and not lapse to the general fund. The treasurer would be the administrator of the fund for auditing purposes. The treasurer would have to disburse money in the fund on a quarterly basis to the Michigan 4-H Foundation.¹

Proposed MCL 257.811hh

The bills are tie-barred to each other, which means that neither would take effect unless the other were also enacted

BACKGROUND:

Section 811e of the code requires a public act authorizing a fund-raising plate to identify the purpose of the plate, provide for a fund to receive the money raised through sale of the plates, and specify the fund administrator. (The bills would meet these criteria.) As described below, the secretary of state may develop a fund-raising plate upon payment of a nonrefundable startup fee in an amount equal to a three-year average of the cost to the secretary of state of developing a new fund-raising plate.

¹ <https://mi4hfdtn.org/>

A person who wants a fund-raising plate for their vehicle must accompany the application for the plate with payment of the regular vehicle registration tax prescribed under the code, a \$25 fund-raising donation, and a \$10 service fee. An applicant for renewal of a fund-raising plate must pay the vehicle registration tax and a \$10 fund-raising donation.

Section 811e limits to 20 the number of fund-raising plates that can be issued or made available for sale by the secretary of state at any one time. This limit does not include fund-raising plates that recognize a Michigan university or an accomplishment or occasion of a Michigan university. Currently there are 16 fund-raising plates.²

FISCAL IMPACT:

The bill may provide the Department of State with a marginal increase in funding to the Transportation Administration Collection Fund (TACF). Section 811e of the Michigan Vehicle Code requires the payment of a start-up fee, typically paid by the receiving organization, to the SOS to cover the costs of developing and producing a new fund-raising plate and directs the fee revenue to be deposited into the TACF. The start-up fee amount for each year is required to be calculated every January by taking the three-year average cost to DOS of developing a new fund-raising plate. With the full implementation of the department's Customer and Automotive Records (CARS) computer system in 2022, start-up costs were anticipated to decrease. The start-up fee for 2023 is \$90,000. Any fee revenue deposited into the TACF in excess of the cost of development would remain in the TACF, which supports the department's vehicle registration and licensing operations.

POSITIONS:

Representatives of the following organizations testified in support of the bills (10-10-23):

- Michigan State University Extension
- Michigan 4-H Foundation

The Michigan Farm Bureau indicated support for the bills. (10-10-23)

The Department of State indicated a neutral position on the bills. (10-10-23)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

² <https://www.michigan.gov/sos/vehicle/license-plates/special-cause-fundraising-options>