



Senate Fiscal Agency  
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BILL



ANALYSIS

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Senate Bill 1046 (as passed by the Senate)  
Senate Bill 1047 (Substitute S-2 as passed by the Senate)  
Sponsor: Senator Dave Hildenbrand  
Committee: Finance

Date Completed: 8-31-12

### **RATIONALE**

In keeping with the establishment of AMBER Alert plans in other states, Public Act 712 of 2002 enacted the Michigan Amber Alert Act to require the Department of State Police to establish and maintain the Michigan Amber Alert Plan. These plans are designed to disseminate information about certain child abductions to radio and television stations rapidly and in a predetermined manner. ("AMBER" refers to "America's Missing: Broadcast Emergency Response".) Although Michigan's Plan is required by statute and has been in place for approximately 10 years, there is no dedicated funding source for it. According to the Michigan Association of Broadcasters (MAB), that organization has donated over \$400,000 toward the operating costs of the Amber Alert program since it began. In 2008, the Michigan AMBER Alert Foundation was formed to raise funds for the program, and has received over \$85,000 in donations and grants, according to the MAB. To help support the Amber Alert program, it has been suggested that Michigan taxpayers should have the opportunity to make donations through an income tax check-off.

### **CONTENT**

**Senate Bill 1046 would amend the Michigan Amber Alert Act to do the following:**

- **Create the "Michigan Amber Alert Fund" within the Department of State Police to provide funds for the Michigan Amber Alert Plan.**
- **Require money from a proposed State income tax check-off to be credited to the Fund.**

**Senate Bill 1047 (S-2) would amend the Income Tax Act to include the proposed Michigan Amber Alert Fund among the funds eligible for voluntary contributions on the State income tax return, beginning in the 2012 tax year.**

Senate Bill 1046 is tie-barred to Senate Bill 1047.

### **Senate Bill 1046**

The bill would create the Michigan Amber Alert Fund within the Michigan Department of State Police (MSP) to provide funds for the maintenance, operation, and administration of the Michigan Amber Alert Plan.

The Fund would consist of money credited to it under Section 435 of the Income Tax Act (the section Senate Bill 1047 (S-2) would amend); any interest and earnings accruing from the saving and investment of that money; and money from any other source. The State Treasurer would have to credit to the Fund amounts appropriated for that purpose under Section 435 and money from any other source for deposit into the Fund.

The money, interest, and earnings of the Fund would have to be spent solely for donation to it. The money in the Fund that was available for distribution would have to be appropriated each year. Money granted or received as a gift or donation to the Fund would be available for distribution upon appropriation.

The MSP would be the administrator of the Fund for auditing purposes, and the State Treasurer would have to direct its investment. Money in the Fund at the close of the year would remain in the Fund and would not lapse to the General Fund.

### **Senate Bill 1047 (S-2)**

Section 435 of the Income Tax Act allows an individual to designate on his or her annual State income tax return that contributions of \$5, \$10, or more of his or her refund be credited to any of the funds listed in that section (check-offs). If an individual's refund is not sufficient to make a contribution, he or she may designate a contribution amount to be added to his or her tax liability.

The Department of Treasury is required to prepare a contributions schedule that includes the authorized check-offs. The schedule may not include more than 10 separate check-offs in a single year, and the Department must discontinue a check-off that fails to raise \$50,000 in a tax year for two consecutive tax years.

Check-offs for the following are currently authorized: the Animal Welfare Fund; the Children of Veterans Tuition Grant Program; the Children's Trust Fund; the Girl Scouts of Michigan Fund; the Military Family Relief Fund; the United Way Fund; and, beginning in the 2012 tax year, the Special Olympics Michigan Fund.

The bill would add the Michigan Amber Alert Fund, beginning in the 2012 tax year.

Proposed MCL 28.755 (S.B. 1046)  
MCL 206.435 (S.B. 1047)

### **BACKGROUND**

The Michigan Amber Alert Plan may be activated only in accordance with policies of the Michigan State Police. According to the MSP website, the Plan is activated when an endangered missing person under 17 years old is reported to law enforcement and one or more of the following circumstances exist:

- The child suffers from a severe mental or physical disability that greatly impairs

the child's ability to care for himself or herself.

- The child is a victim of stranger or acquaintance kidnapping.
- The child is in the company of a person who has a confirmed criminal history of child abuse/neglect, sexual assault, domestic assault, or a crime involving the victimization of children; who has made statements of intent to harm the missing child; or who is suicidal.
- The child has been abducted by a noncustodial parent whose parental rights have been terminated.

When the law enforcement agency investigating the endangered missing child case contacts the State Police, supplying information on the case, the MSP then activates the Plan by giving information on the child to area broadcasters. The broadcasters immediately broadcast information about the child. Members of the public then report sightings of the child to law enforcement.

### **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**

After the Amber Alert Act was enacted, a public-private partnership was formed by the Michigan State Police, the Michigan Sheriff's Association, the Michigan Association of Chiefs of Police, and the Michigan Association of Broadcasters to formulate the State's Amber Alert program. Since its inception, the program has been activated 321 times and has helped to recover 315 missing endangered children, according to the MAB. Using the ears and eyes of radio and television audiences, Amber Alert is a very effective tool, but it must rely on donations to operate. In addition to the \$400,000 contributed by the MAB, millions of dollars in airtime are donated by broadcasters every year. The program also is supported by the Michigan AMBER Alert Foundation, which received over \$15,000 in grant money from the Art Van Million Dollar Charity Challenge and over \$70,000 in donations and grants from AT&T of Michigan, according to an MAB press release. While these donations help, the proposed income tax check-off would

provide another source of revenue for this vital program.

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

**Senate Bill 1046**

The bill proposes a potential funding source for the Michigan Amber Alert program. The Department of State Police, due to budgetary reductions over time, no longer has, as it once had, a dedicated Sergeant for the Missing Children Clearinghouse & Amber Alert programs. The duties of this position have been absorbed by another Sergeant with other duties. The Department states that a full-time Sergeant is needed to provide training to law enforcement personnel (State Police and local) on the "how, when, and why" of an Amber Alert.

The approximate cost associated with returning to a dedicated full-time Sergeant for this program is as follows:

Sergeant: \$156,500 (FY 2011-12 s&w/benefits)  
 CSS&M/travel: \$10,000  
 Total: \$166,500

It cannot be determined at this time how much, if any, revenue would be generated under this bill for this purpose.

**Senate Bill 1047 (S-2)**

The revenue from the proposed income tax check-off for the Michigan Amber Alert Fund would depend on the size and number of taxpayer donations. The income tax check-off revenue history in recent years is summarized in the Table 1 below.

**Table 1**  
**Estimated Income Tax Check-Off Donations by Fund**

	Tax Year 2009		Tax Year 2010		Tax Year 2011 <sup>a)</sup>	
	Number of Donations	Total Donated	Number of Donations	Total Donated	Number of Donations	Total Donated
Amanda's Fund for Breast Cancer	3,754	\$37,818				
Animal Welfare Fund <sup>1)</sup>	7,854	100,862	10,852	\$148,164	10,800	125,636
Children's Hospital of MI Fund	5,661	61,186	7,418	90,853		
Children's Miracle Network Fund	3,432	35,357	4,707	56,901		
Children's Trust Fund <sup>1)</sup>	17,244	185,407	7,387	92,631	8,499	88,839
Children of Veterans Tuition Grant Program <sup>1)</sup>	15,225	126,531	5,928	76,417	5,878	70,374
Foster Care Trust Fund	2,407	24,123	3,467	40,057		
Girl Scouts of Michigan Fund <sup>1)</sup>					3,500	44,163
Michigan Military Relief Fund <sup>1)</sup>	22,432	273,428	7,443	128,603	9,463	134,757
Michigan Council for the Arts Fund	2,598	27,978	3,356	34,677		
Michigan Housing and Community Development Fund	1,618	17,415				
Michigan Law Enforcement Memorial Fund	2,492	27,457				
Prostate Cancer Research	2,920	29,319				
Renewable Fuels Fund	2,157	18,247	2,589	23,648		
United Way Fund <sup>1)</sup>	5,736	241,797	7,747	389,080	5,574	163,937
Total		\$1,206,925		\$1,081,031		\$627,706

<sup>a)</sup> Collections through April 22, 2012.

<sup>1)</sup> Check-offs on the 2011 contribution schedule.

Source: Department of Treasury

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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.