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BILL ANALYSIS



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Senate Bills 1046 and 1047 (as introduced 3-27-12)
Sponsor: Senator Dave Hildenbrand
Committee: Finance

Date Completed: 5-22-12

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

- Create the "Michigan Amber Alert Fund" within the Michigan Department of State Police (MSP).
- Require money from a proposed State income tax check-off to be credited to the Fund.
- Provide that Fund money available for distribution would be subject to annual appropriation.

Senate Bill 1047 would amend the Income Tax Act to include a contribution to the proposed Amber Alert Fund among the check-offs on the State income tax return.

The bills are tie-barred.

Senate Bill 1046

The bill would create the Michigan Amber Alert Fund within the MSP to provide funds for the maintenance, operation, and administration of the Michigan Amber Alert Plan. The MSP would be the administrator of the Fund for auditing purposes.

The State Treasurer would have to credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act (which Senate Bill 1047 would amend) and money from any other source for deposit into the Fund.

The State Treasurer would have to direct the investment of the Fund. The Fund would consist of the money credited to it under Section 435 of the Income Tax Act, any interest and earnings accruing from the saving and investment of that money, and money from any other source.

Money in the Fund at the close of the year would remain in the Fund and would not lapse to the General Fund.

The money, interest, and earnings of the Fund would have to be spent solely for donation to the Fund. 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.

Senate Bill 1047

Under Section 435 of the Income Tax Act, an individual may 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 a number of funds for specific purposes. 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 bill would include among the authorized contribution designations the Michigan Amber Alert Fund, beginning in the 2012 tax year.

(The Department of Treasury must use a separate contributions schedule that incorporates each contribution designation authorized by the Act that remains in effect and available for each tax year. The Department may cease to include a designation on the schedule if it fails to raise \$100,000 in any tax year for two consecutive tax years. Each year that a contribution designation is in effect, an amount equal to the cumulative designation, less the amount appropriated to the Department for implementation, must be appropriated from the General Fund and distributed to the department responsible for administering the respective fund, and must be used solely for the purposes of that fund.)

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

BACKGROUND

The Michigan Amber Alert Act requires the Department of State Police to establish and maintain the Michigan Amber Alert Plan. The Plan must be designed to rapidly disseminate useful information in a predetermined manner to radio and television stations in the State. The Plan may be activated only in accordance with policies of the MSP.

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; has made statements of intent to harm the missing child; or 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 MSP, 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.

Legislative Analyst: Julie Cassidy

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 & 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

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. The Department of Treasury may cease to list a check-off for a fund if it raises less than \$100,000 in any tax year for two consecutive tax years.

Table 1
Estimated Income Tax Check-Off Donations by Fund

	Tax Year 2009		Tax Year 2010		Tax Year 2011 ^{a)}	
	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 ¹⁾	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 ¹⁾	17,244	185,407	7,387	92,631	8,499	88,839
Children of Veterans Tuition Grant Program ¹⁾	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 ¹⁾					3,500	44,163
Michigan Military Relief Fund ¹⁾	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 ¹⁾	5,736	241,797	7,747	389,080	5,574	163,937
Total		\$1,206,925		\$1,081,031		\$627,706

^{a)} Collections through April 22, 2012.

¹⁾ Check-offs on the 2011 contribution schedule.

Source: Department of Treasury

Fiscal Analyst: Bruce Baker
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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.