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BILL ANALYSIS



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House Bill 5139 (Substitute H-2 as passed by the House)

Sponsor: Representative Tupac Hunter

House Committee: Transportation

Senate Committee: Transportation

Date Completed: 1-28-04

CONTENT

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

- **Allow the Secretary of State to develop and issue a State-sponsored professional sports team fund-raising registration plate and matching collector plate.**
- **Provide for distribution of revenue to the U.S. Olympic Education Center and to various charitable organizations, depending on the Detroit team whose plates were sold.**
- **Require the charitable organizations to use the money to support youth sports and after-school programs, and provide college scholarships.**
- **Delete a provision prohibiting the Secretary of State from developing more than seven State-sponsored fund-raising registration plates at any one time.**

The provisions authorizing the development of the professional sports team plate would be repealed on September 30, 2005.

Under the bill, the Secretary of State could issue a professional sports team registration plate, instead of a standard registration plate, to an applicant for use on the passenger motor vehicle, pickup truck, van, motor home, hearse, bus, trailer coach, or trailer for which the plate was issued. The Secretary of State would have to determine the design of the plate, which would have to include a logo of the Detroit Red Wings, Lions, Pistons, Shock, Fury, or Tigers.

The Secretary of State could issue the fund-raising plate under Section 811f and the collector plate under Section 811g. (Under Section 811f, an application for an original fund-raising plate must be accompanied by a \$25 fund-raising donation, payment of the regular registration tax, and a \$10 service fee. An application for renewal of a fund-raising plate must be accompanied by payment of the regular registration tax and a \$10 donation.)

Under the Code, if the design or logo of a Michigan university or State-sponsored fund-raising registration plate uses one or more designs, trade names, trademarks, service marks, emblems, symbols, or other owned images, the university or sponsoring person or entity must grant to or obtain for the Secretary of State both of the following, pursuant to a written agreement between the parties:

- A nonexclusive worldwide license to use the designs or images on and in conjunction with the marketing, promotion, sale, or copyrighting of the registration plate or an image of it.
- The authority to merchandise the plate or an image of it.

The bill would extend this requirement to a professional sports team. A professional sports team that entered into a written agreement with the Secretary of State for the development of

a plate would have to agree that the service fees would be deposited in the "Professional Sports Team Fund", which the bill would create within the State Treasury.

The Secretary of State would have to identify service fees from the plates and segregate them into a separate account. The Secretary of State would have to distribute the balance of the service fees on a quarterly basis to the State Treasurer, who would have to credit the fee money to the Professional Sports Team Fund. The State Treasurer could receive money or other assets from any source for deposit into the Fund. He or she would have to direct 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 remain in the Fund and would not lapse to the General Fund.

The Department of Treasury would have to disburse money in the proposed Fund on a quarterly basis. Two percent of the money would be allocated to the United States Olympic Education Center (OEC) in Marquette, Michigan. The balance would have to be distributed to the following charities, depending on the team whose plates were sold:

Team	Charity
Detroit Red Wings	Ilitch Charities for Children
Detroit Lions	Detroit Lions Charities
Detroit Fury	Palace-Pistons Foundation
Detroit Pistons	Palace Foundation
Detroit Shock	Palace-Pistons Foundation
Detroit Tigers	Ilitch Charities for Children

An organization that received money under the bill, excluding the OEC, would have to report to the State Treasurer. A report would have to include a summary of expenditures during the preceding year. An organization, excluding the OEC, would have to use the money for any of the following purposes:

- Support for youth sports programs for boys and girls across the State, including purchase of equipment or uniforms, payment of costs associated with athletic facility improvements, or payment of costs for training athletes or conducting sports camps.
- Provision of college scholarships for graduating high school seniors who demonstrated financial need and had been accepted into a Michigan college or university.
- Support for after-school programs across the State that provide academic, cultural, and/or recreational activities for youths in deprived and depressed communities.

MCL 811e et al.

Legislative Analyst: Julie Koval

FISCAL IMPACT

Revenue generated for special causes from the sale of seven fund-raising plates in FY 2002-03 totaled \$1.3 million (from original and renewal transactions). The sale of university fund-raising plates generated \$1.1 million in FY 2002-03. The revenue that would be generated from professional sports team fund-raising plates is not determinable. The cost to the Department of State to develop each plate would be approximately \$15,000.

Fiscal Analyst: Bill Bowerman

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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.