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BILL ANALYSIS

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Senate Bill 1459 (as reported without amendment)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

Date Completed: 10-10-08

RATIONALE

Michigan law permits the Secretary of State to develop up to eight State-sponsored fund-raising license plates, which vehicle owners may choose instead of the standard license plate. In addition to the regular vehicle registration tax, the fund-raising plates cost \$25 for an initial plate and \$10 for a renewal, and the money raised goes to a designated fund for the benefit of a specific nonprofit organization. Current fund-raising plates benefit the Nongame Fish and Wildlife Trust Fund, the Children's Trust Fund, the Michigan Lighthouse Preservation Fund, the Water Quality Protection Fund, and others. (For a complete list of the State-sponsored fund-raising plates and their corresponding funds, please see **BACKGROUND.**)

The present number of fund-raising plates is at the maximum permitted under the Michigan Vehicle Code. It has been suggested that the limit be removed and that plates be created to benefit the Detroit Red Wings Foundation and the Detroit Tigers Foundation, two charitable organizations that promote athletic activities for young people.

CONTENT

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

- **Remove the current limit on State-sponsored fund-raising license plates.**
- **Provide for a fund-raising plate or collector plate recognizing the Detroit Red Wings, and a fund-**

raising or collector plate recognizing the Detroit Tigers.

- **Create the "Detroit Red Wings Fund" and the "Detroit Tigers Fund", and require donations for those plates to be deposited into the respective Fund, to be distributed to the Detroit Red Wings Foundation and the Detroit Tigers Foundation.**
- **Require those foundations, by February 1, 2010, to submit to the Secretary of State a summary of the previous year's expenditures of the money received under the bill.**

The bill is described in detail below.

Plate Limit

The Code allows the Secretary of State (SOS) to develop up to eight State-sponsored fund-raising registration plates and matching State-sponsored collector plates at one time. The bill would remove that limit.

Red Wings & Tigers Plates

Under the bill, a fund-raising plate or collector plate recognizing the Detroit Red Wings or the Detroit Tigers would have to bear an appropriate logo. The Detroit Red Wings and the Detroit Tigers would have to submit a design for the respective logo to the SOS. The SOS would have to confer with the Michigan Department of State Police to ensure that the design would not compromise the ability of law enforcement agencies to identify specific vehicles accurately.

Registration plates bearing a Detroit Red Wings or a Detroit Tigers logo could not be a duplication of another registration plate. The Detroit Red Wings and the Detroit Tigers would have to comply with certain provisions in the Code regarding the design of special organization plates.

The bill would create the Detroit Red Wings Fund and the Detroit Tigers Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Funds. The Treasurer would have to direct the investment of the Funds and credit to them interest and earnings from Fund investments. Money in the Funds at the close of the fiscal year would have to remain in the Funds and not lapse to the State General Fund.

The SOS would have to transfer the donation money from the sale of fund-raising plates recognizing the Detroit Red Wings or the Detroit Tigers to the State Treasurer, who would have to credit the donation money to the appropriate Fund. The State Treasurer would have to disburse money in the Funds on a quarterly basis to the Detroit Red Wings Foundation and to the Detroit Tigers Foundation, as applicable.

Beginning by February 1, 2010, the Detroit Red Wings Foundation and the Detroit Tigers Foundation would have to submit to the Treasurer a summary of the expenditures during the preceding year of the money received under the bill.

MCL 257.811e et al.

BACKGROUND

The following State-sponsored fund-raising plates currently are authorized under the Michigan Vehicle Code:

Plate	Receiving Fund
Wildlife Habitat	Nongame Fish and Wildlife Trust Fund
Children's Trust Fund	Children's Trust Fund
Lighthouse Preservation	Michigan Lighthouse Preservation Fund
Water Quality Protection	Water Quality Protection Fund
Veteran's Memorial	Vietnam Veteran's Memorial Monument Fund
Agricultural Heritage	FFA Vision 2000 Endowment Fund
American Pride	Proud to Be American Fund
Support Our Troops	Support Our Troops, Inc.

The Code also provides for an Olympic Education-Training Center plate, authorized under Public Act 332 of 1994. That plate is not considered a State-sponsored fund-raising plate.

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

While the Detroit Red Wings and the Detroit Tigers are well known sports franchises, many are unaware of the charitable foundations that the teams have established to promote athletic activities in their surrounding communities.

The Detroit Red Wings Foundation supports nonprofit charitable organizations that provide athletic and educational programs for children and young people in the Detroit area. The Foundation recently was accepting applications for grants of up to \$30,000 for nonprofit organizations that promote hockey, health and nutrition, education, or recreation. The Foundation plans to issue at least \$150,000 in grants under that initiative.

The Detroit Tigers Foundation was created in 2005, and reportedly has raised over \$1 million this year. Its mission is "to use the game of baseball to enhance the quality of life in our community with a focus on growth, education and recreation", according to the team's website. The Foundation funds field renovations and other projects to benefit baseball programs for youths in the Detroit area, and also donates free game tickets to be distributed to low-income children so those who otherwise might not be able to afford to attend the games can do so. One recent initiative has been to sell autographs to raise money for the Miracle League of Michigan, a nonprofit charity that organizes baseball events for physically or mentally challenged children.

These and other Foundation activities help strengthen the community and promote athleticism among young people. The bill would allow the creation of fund-raising license plates that would generate additional revenue for the Tigers and Red Wings Foundations, giving them the resources to be even more effective in pursuing their charitable missions.

State-sponsored fund-raising license plates have been shown to be an effective means of generating donations for charitable causes. The plates are popular with motorists as a way of supporting a cause while publicly displaying that support. Because the license plates feature a logo or design representing the cause or charitable organization, they also serve to raise the profile of the organization, potentially generating additional donations beyond the money raised directly.

The logos of the Detroit Red Wings and Tigers could be particularly popular, because they are widely recognized nationwide and are a source of pride for many Michigan residents. The fund-raising plates under the bill would give fans an opportunity to display those logos on their license plates, while supporting the charitable work of the Red Wings and Tigers Foundations.

Opposing Argument

The limit on the number of fund-raising plates was enacted to prevent the proliferation of license plate designs. Too many different plates can be confusing for law enforcement officers, who need to be able to distinguish Michigan vehicles from out-of-State cars quickly and accurately. If the Detroit Red Wings and Tigers Foundations were granted fund-raising plates, it would be difficult to deny the same for other equally worthy charitable organizations. Since that would be impractical, the best approach would be to retain the current limit, minimizing the number of different plates.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would create a start-up cost to the Department of State. The start-up fee of \$15,000 prescribed in the Code would be paid to the Department, separately from the Detroit Red Wings Fund and the Detroit Tigers Fund proposed in the bill.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

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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.