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## DUCKS UNLIMITED SPECIALTY LICENSE PLATE

### House Bill 4352 as passed by the House Second Analysis (4-20-01)

**Sponsor: Rep. Andrew Richner**  
**Committee: Transportation**

#### ***THE APPARENT PROBLEM:***

Ducks Unlimited, Inc. is an organization that began over half a century ago during the Dust Bowl of the 1930s when a group of sportsmen formed an organization to raise funds that would assist American's drought-plagued waterfowl populations whose numbers had plunged to unprecedented lows. The fledgling conservation group founded in 1937 had more than 6,700 members within its first year, and raised \$90,000. Since its founding the group has raised over \$1.42 billion for wetlands conservation with over 9.4 million acres conserved.

Today the organization is the world's largest private waterfowl and wetlands conservation organization whose volunteer membership stands at more than half a million conservationists and hunters in the United States, Canada, and Mexico. Annually the organization spends a reported \$67.4 million on its projects, although according to committee testimony, the group raised over \$133 million last year in North America alone.

The mission of Ducks Unlimited is to fulfill the annual life cycle needs of North American waterfowl by protecting, enhancing, restoring, and managing important wetlands and associated uplands. The organization's wetlands projects offer secure nesting sites, shallow wetlands, and wintering habitat where waterfowl can rest and restore energy during breeding and migration. More than 600 species of wildlife live on Ducks Unlimited sites, including some that are endangered, such as the whooping crane, bald eagle, peregrine falcon, piping plover, and the least tern. See *BACKGROUND INFORMATION* below.

Because habitat is being destroyed and species endangered, and also because water quality poses a continuing challenge for policy makers and citizens, public policies to protect wetlands are needed. In order to assist Ducks Unlimited with its mission to purchase more wetlands, legislation has been

introduced to help the organization raise funds through the sale of a special vehicle license plate.

#### ***THE CONTENT OF THE BILL:***

House Bill 4352 would amend the Michigan Vehicle Code to require the secretary of state to develop, and upon application to issue, a state-sponsored fund-raising registration plate and matching collector plate to recognize Ducks Unlimited.

Under current law, the secretary of state can develop up to six different limited term registration plates to recognize a state-sponsored event, a Michigan university, or an accomplishment or occasion of a Michigan university. The secretary of state is authorized to develop, promote, and market the fund-raising registration plates and matching collector plates with the funds available through service fees.

To authorize a plate commemorating Ducks Unlimited, House Bill 4352 would increase to seven (from six) the total number of specialty fund-raising plates the secretary of state could develop and promote. Under the bill, those making application for the new registration plate bearing the Ducks Unlimited design would be required to follow the existing motor vehicle registration and re-registration procedure. Their application would be accompanied with payment of the regular vehicle registration tax, in addition to a service fee as provided in Section 811f. [That section of the vehicle code specifies a new registration fee of \$35, of which \$10 goes to the secretary of state, and \$25 to the state-sponsored group. Further, upon license renewal, that section of the code specifies a \$10 fee, all of which goes to the state-sponsored group.] At registration, the secretary of state could issue a temporary permit (without fee) for a period not to exceed 60 days, to be used until the state-sponsored Ducks Unlimited fund-raising plate was available. At renewal, the secretary of state could issue an expiration tab.

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House Bill 4352 would require that the state-sponsored Ducks Unlimited fund-raising registration plate service fees collected by the secretary of state be kept in a separate account, and on a quarterly basis transferred to the state treasurer (after first deducting the manufacturing and administrative costs, including the administrative costs associated with issuing, replacing, and substituting the specialty plates). The state treasurer, in turn, would be required to credit the fee money to the Michigan Chapter of Ducks Unlimited, Incorporated. The money credited to the Michigan Chapter of Ducks Unlimited, Incorporated could only be expended to protect, enhance, restore, manage, and acquire wetlands and associated uplands in this state. Under the bill, the Michigan Chapter of Ducks Unlimited would be required to annually report to the Department of Treasury an accounting of money received and used.

The bill specifies that this section of the vehicle code would be repealed September 30, 2005. If enacted, it would go into effect on October 1, 2001.

MCL 257.811e and 257.811o

### ***BACKGROUND INFORMATION:***

For more information about Ducks Unlimited, Inc., including information about events and contacts in Michigan's four regional chapters, see the Ducks Unlimited web site at <http://www.dumichigan.org>.

### ***FISCAL IMPLICATIONS:***

The House Fiscal Agency notes that by adding a Ducks Unlimited plate, House Bill 4352 would increase to seven the total number of specialty license plates that the secretary of state could create and promote. The Department of State estimates an initial cost of \$45,000 for the creation and promotion of this specialty plate. The funds would be drawn from the Michigan Transportation Fund. The fiscal impact of a reduction to this revenue source is approximately 40 percent to the state and 60 percent to local units of government. (4-20-01)

### ***ARGUMENTS:***

#### ***For:***

This legislation would assist a worthy group of volunteers whose private organization has a public purpose. Ducks Unlimited, Inc. is a conservation organization whose primary purpose is to preserve wetlands so that many species of waterfowl have habitat. According to committee testimony, more

than 50 percent of the nation's original wetlands have been destroyed, and more than 170,000 wetland acres continue to be lost each year. This kind of development reduces habitat and threatens ground water quality. In an effort to reverse these trends here in Michigan, during 1999, Ducks Unlimited raised almost \$2.7 million, enabling the group's 32,000 Michigan volunteers to complete 16 projects in conjunction with 11 partners, and also more than 100 private land projects. Together, the projects conserved 4,755 acres of waterfowl habitat. During the year 2000, the group budgeted more than \$1.6 million for habitat work. Indeed, since the group's MARSH project began in 1984, members have completed 555 projects, spending \$4.8 million to conserve 22,514 acres of habitat (19,734 acres of wetlands, and 2,780 acres of uplands) in Michigan. Although the projects are concentrated in the prime waterfowl areas of Michigan, there is wide geographic coverage, since projects are located in 65 of the state's 83 counties. The wetlands that have been conserved provide habitat for hundreds of species, an estimated 160 of which are threatened or endangered. In addition to providing habitat, the wetlands improve the quality of groundwater, since wetlands recharge and purify groundwater aquifers. What is more, wetlands moderate floods, reduce soil erosion, and provide recreational opportunities.

#### ***Response:***

Despite the fact that this organization has a public purpose, it is, nevertheless, a private volunteer group. Other private voluntary groups are equally worthy of specialty license plates, and policy makers should develop criteria in order to evaluate the requests of this group, Ducks Unlimited, and the others from organizations outside government that are sure to follow.

#### ***For:***

According to committee testimony, fourteen other states have specialty license plate programs that assist Ducks Unlimited in their state-based wetland acquisition efforts. Among the states supporting the organization in this manner is the State of Ohio where the membership of Ducks Unlimited stands at 13,000. The spokespeople for Michigan Ducks Unlimited report that in Ohio, about 6,500 citizens (about half of whom were DU members) purchased specialty plates, raising \$97,500 for the private voluntary organization. Michigan should follow the lead of states like Ohio, and enact this legislation into law. (It should be noted that documents presented to the committee by the Office of the Secretary of State indicate that 936 DU plates were issued in Ohio

during the year 2000. At \$15 each, this sale would have raised about \$14,000 for the organization.)

***Against:***

This legislation proposes the first specialty license plate whose sale proceeds would be directed by the secretary of state to an organization that is outside government. Since Ducks Unlimited is a private nonprofit group of volunteers that is not governmental, it would not be required to open its books to government auditors; its meetings to the public; or, its records to Freedom of Information requests. It would be exempt from these kinds of public oversight despite the fact that the state's taxpayers fund the Office of the Secretary of State who would serve as the private organization's collection agent. To ensure that the organization uses its funds in the manner intended, this legislation should be amended to enable an audit, and to require an annual report to the executive and legislative branches of government.

***Response:***

The bill was amended on the House floor to require an annual report from Ducks Unlimited to the state treasurer, in order to account for money received and used.

***POSITIONS:***

The Michigan Chapter of Ducks Unlimited, Inc. supports the bill. (4-20-01)

Analyst: J. Hunault

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