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DUCKS UNLIMITED SPECIALTY LICENSE PLATE

Senate Bill 193 as passed by the Senate First Analysis (1-5-04)

Sponsor: Sen. Bruce Patterson
House Committee: Transportation
**Senate Committee: Local, Urban and
State Affairs**

THE APPARENT PROBLEM:

The Michigan Vehicle Code authorizes the secretary of state to develop and issue up to seven fund-raising registration plates, in addition to plates that raise money for universities in Michigan and other specialty plates. Originally, the only available fund-raising plate was the Olympic plate, which raises money for the Olympic Training Center at Northern Michigan University.

Currently, donations paid for state-sponsored fund-raising plates also benefit the Children's Trust Fund, critical non-game wildlife habitat, agricultural heritage, lighthouse preservation, and water quality. The most recently authorized fund-raising plate is the "Proud to be American" plate, which supports American Red Cross relief and the Salvation Army.

Some people believe that an additional fund-raising plate should be authorized for the Michigan Chapter of Ducks Unlimited, Inc. (See Background Information below.)

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to specify that the secretary of state "shall develop and may issue" a state-sponsored Ducks Unlimited fund-raising registration plate, and a matching collector plate. The fund-raising donations collected for the plate would be transferred to the state treasurer quarterly to be credited to the Ducks Unlimited Fund for the protection, enhancement, restoration, management, and acquisition of wetlands and associated uplands in the state. The bill would take effect January 1, 2004. It is tie-barred to Senate Bill 785, which would require a \$15,000 start-up fee and set sales goals for new fund-raising plates.

The bill also would create the Ducks Unlimited Fund within the state treasury and allow the state treasurer

to receive money or other assets from any source for deposit into the fund. The state treasurer would direct the investment of the fund. Money in the fund at the close of a fiscal year would remain in the fund and not lapse to the general fund. The state treasurer would disburse money on a quarterly basis to the Michigan chapter of Ducks Unlimited, Inc., which would be required to provide an annual accounting to the Department of Treasury of money received and used.

The bill is tie-barred to Senate Bill 785, which would, among other things, require the payment of a \$15,000 start-up fee before a special plate could be issued and set sales goals for plates. (See the analysis of Senate Bill 785 by the House Legislative Analysis Section dated 12-16-03 and the analysis by the House Fiscal Agency dated 12-10-03.)

MCL 257.811q

BACKGROUND INFORMATION:

The following information is excerpted from written testimony provided to the House Committee on Transportation by a representative of Ducks Unlimited.

Ducks Unlimited. Ducks Unlimited is the largest private, non-profit wetlands conservation organization in the world. It was founded in 1937 by a group of sportsmen who, during the dust bowl of the 1930's, realized that wetlands and therefore water fowl were declining. They committed themselves to reverse that trend, not only for themselves, but also so that future generation could enjoy a day in the marsh or simply marvel at a flock of ducks flying overhead on their annual migrations.

Ducks Unlimited's mission is to conserve, restore, and manage wetlands and associated habitats for

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North American waterfowl, also benefiting other wildlife and people. In their 66-year history, Ducks Unlimited has raised \$1.6 billion towards the conservation of more than 10 million acres of habitat across North America. Nationally, Ducks Unlimited has 750,000 members and more than one million supporters. Their headquarters are in Memphis, Tennessee, with four regional offices, including one in Ann Arbor, Michigan. The regional Ann Arbor office employs 43 people who work in an 18-state area conserving wetlands through voluntary, incentive-based programs. Ducks Unlimited is unique in that the organization employs biologists, engineers, surveyors, Geographical Information Specialists, project controllers, and others who focus on habitat conservation. Ducks Unlimited qualifies as an IRS 501(c)(3) non-profit organization, is independently audited annually by PricewaterhouseCoopers, LLP, and is subjected annually to a Federal A-133 audit (with no record of a finding).

Ducks Unlimited's conservation efforts are guided by an International Conservation Plan, which is a science-based landscape conservation plan. The Great Lakes watershed is a high priority for Ducks Unlimited, including the entire state of Michigan. The organization's conservation efforts in Michigan are targeted in key watershed focus areas: Saginaw Bay, Western Lake Erie, the Grand River, and the UP Rudyard Clay Plain. However, the organization has done projects in nearly every Michigan county. To date in Michigan, Ducks Unlimited has conserved more than 44,586 acres of habitat, consisting of more than 901 projects, with an investment of more than \$9.5 million since 1985. In 2002 alone, Ducks Unlimited conserved 4,027 acres on 115 projects, spent \$1.9 million, and worked with many partners, including federal, state and local agencies, as well as private landowners.

Wetlands preservation. Spokesmen for Ducks Unlimited report that the organization works to conserve wetlands because they are important to some 900 species of plants and animals, many of which are currently endangered or threatened. They also point out that wetlands are important because they act as "nature's sponge," helping to soak up waters and reduce the effects of flooding. Wetlands also recharge our ground water resources, and remove contaminants to improve water quality.

The United States has lost of 53 percent of its wetlands. Approximately 50 percent of Michigan wetlands have been lost, with some regions, such as Saginaw Bay, having lost more than 80 percent.

Wetlands conservation benefits society, because it is an expensive proposition to replace them. On average, it costs approximately \$250 for each acre of habitat restored.

HOUSE COMMITTEE ACTION:

The members of the House Transportation Committee reported out the Senate-passed version of the bill without amendments.

FISCAL IMPLICATIONS:

The House Fiscal Agency notes that initial start-up costs for a new fund-raising plate are approximately \$15,000. These costs would not be recovered under the current fund-raising plate program. However, Senate Bill 785, to which Senate Bill 193 is tie-barred, would require a \$15,000 start-up fee from the sponsoring organization. This start-up fee would cover the initial state development and administrative costs for the new plate. (HFA analysis dated 12-16-03)

See also the analyses of Senate Bill 785 by the House Legislative Analysis Section dated 12-16-03 and by the House Fiscal Agency dated 12-10-03.

ARGUMENTS:

For:

Ducks Unlimited, Inc. was founded by a group of wildlife hunters more than 65 years ago. Compared with the general public, hunters are more interested in wildlife issues and contribute more to conservation efforts, according to a study by Ducks Unlimited. Each year, the United States loses more than 100,000 acres of vegetated wetlands, which are home to approximately 900 species, many of them threatened or endangered. Through the support of its members, Ducks Unlimited has been able to conserve more than 10 million acres of habitat across North America in the areas that are most important to ducks and geese. The organization puts nearly 80 percent of all funds directly into on-the-ground habitat projects that benefit waterfowl and other species and improve the general health of the environment by purifying groundwater, moderating floods, and reducing soil erosion.

Reportedly, 14 other states have similar specialty plates that raise money for waterfowl habitat preservation, and the plates have been successful, particularly in Ohio. Several of the fund-raising plates currently offered in Michigan have raised a

significant amount of money. The proposed specialty license plate would offer a convenient, inexpensive way for people to contribute to Ducks Unlimited and support its conservation efforts in Michigan.

Against:

There are numerous worthy causes that also could benefit from a specialty fund-raising license plate. The secretary of state already may issue seven specialty license plates. A wider variety of license plates could be inconvenient for police, who might not be able to identify a Michigan motorist quickly. It would be better to wait until 2005, when all of the current specialty license plates will expire, to take a comprehensive look at the issue and decide whether to continue offering so many plates.

Response:

All specialty license plates have a consistent format, which makes it easy for police to identify them as Michigan license plates. The plates have the same layout and a specific area of each plate is designated for a picture representing the fund to which the donation goes. Since the secretary of state would determine the design of the new plate, presumably it would follow this format.

Reply:

Senate Bill 785, which is winding its way through the legislature, would set-up a new fund-raising plate program, so that organizations would bear the up-front development costs of new specialty license plates. Then if a minimum number of sales were met during the first five years the plate was offered to motorists (2,000 plates sold in year one, and 500 plates in years two through five), the organization would be guaranteed a specialty plate in perpetuity.

POSITIONS:

Ducks Unlimited testified in support of the bill. (12-17-03)

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.