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BILL



ANALYSIS

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Senate Bill 193 (Substitute S-1 as reported)  
Sponsor: Senator Bruce Patterson  
Committee: Local, Urban and State Affairs

Date Completed: 6-20-03

### **RATIONALE**

The Michigan Vehicle Code authorizes the Secretary of State (SOS) 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. Presently, donations paid for State-sponsored fund-raising plates also benefit the Children's Trust Fund, critical nongame 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.

### **CONTENT**

**The bill would amend the Michigan Vehicle Code to require the SOS to develop a State-sponsored Ducks Unlimited fund-raising registration plate; and require service fees collected for the plate to be credited to the Michigan Chapter of Ducks Unlimited for the protection, enhancement, and acquisition of wetlands and associated uplands in this State.** The bill would take effect January 1, 2004, and would be repealed on September 30, 2005.

The SOS could issue a State-sponsored Ducks Unlimited registration plate, instead of a standard registration plate, to an applicant for use on a passenger motor vehicle, pickup truck, van, motor home, hearse, bus, trailer coach, or trailer. An application for a Ducks

Unlimited plate would have to be submitted to the SOS according to procedures prescribed in Section 217 of the Code. (That section governs the vehicle registration application process.)

An application for an original or renewal Ducks Unlimited plate would have to be accompanied by payment of the regular vehicle registration tax in addition to a service fee as provided in Section 811f. (Under that section, 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.)

The SOS would have to identify Ducks Unlimited fund-raising registration service fees and segregate them into a separate account. After deducting the manufacturing and administrative costs of the SOS, including administrative costs associated with issuing, replacing, and substituting plates, the SOS would have to transfer the balance of the service fees to the State Treasurer, on a quarterly basis. The State Treasurer would have to credit the fee money to the Michigan Chapter of Ducks Unlimited, Inc. The money could be spent only to protect, enhance, restore, manage, and acquire wetlands and associated uplands in this State. The Michigan Chapter of Ducks Unlimited, Inc. would have to give the Department of Treasury an annual accounting of money received and used under the bill.

Upon the issuance or renewal of a Ducks Unlimited plate, the SOS could issue a tab or tabs designating the month and year of expiration. A Ducks Unlimited plate would expire as described in Section 226. (Under

that section, a vehicle registration expires on the owner's birthday, unless the Code provides for another expiration date or unless the registration is for a specific type of vehicle listed in Section 226.)

The SOS could issue a temporary registration permit to a person who submitted an application and the proper payments for a Ducks Unlimited plate, if the applicant's current vehicle registration would expire before he or she received a Ducks Unlimited plate. The temporary registration would expire when the person received a Ducks Unlimited plate or 60 days after the plate was issued, whichever occurred first. The temporary permit would have to be issued without a separate fee.

State-sponsored Ducks Unlimited plates would have to bear letters and numbers, and be of a design, as prescribed by the SOS. The word "Michigan" would have to appear on the plate.

Currently, the Code permits the SOS, at any one time, to develop up to seven different State-sponsored fund-raising registration plates. The bill would increase that number to eight.

MCL 257.811e et al.

## **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**

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% 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.

### **Opposing Argument**

There are numerous worthy causes that also could benefit from a specialty fund-raising license plate. The SOS 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 SOS would determine the design of the new plate, presumably it would follow this format. Also, authorization for the Ducks Unlimited plate would expire in September 2005, so it could be elevated along with the other specialty plates.

Legislative Analyst: Julie Koval

## **FISCAL IMPACT**

The Department of State would incur up-front costs for the development of the plate. The extent to which costs would be offset would depend on the number of plates sold.

Pursuant to MCL 257.811f, an application for a Michigan university or State-sponsored fund-raising registration plate must be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax, and a \$10 service fee. Renewal of a fund-raising registration plate must be accompanied by payment of the

regular vehicle registration tax and a \$10 fund-raising donation.

In FY 2001-02, fund-raising plates for special causes totaled 75,307 transactions generating \$1,535,900 in revenue sent to the special causes. Transactions for University plates totaled 69,890 in FY 2001-02 with \$1,089,775 in revenue sent to universities.

Fiscal Analyst: Bill Bowerman