

Legislative Analysis



KIWANIS FUND-RAISING LICENSE PLATES

House Bill 4495 (proposed H-1 substitute)
Sponsor: Rep. Peter Lucido
Committee: Transportation and Infrastructure
Complete to 2-5-18

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

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

- Change the definition of “nonprofit” in Section 811d from “that which is exempt from taxation under section 501(c)(3) of the internal revenue code” to “that which is eligible for a charitable deduction under the United States internal revenue code of 1986.”
- Require the Secretary of State (SOS) to develop and issue by August 1, 2019, a fund-raising or collector plate recognizing the Kiwanis International Michigan District.
- Create the Kiwanis International Michigan District Fund in Treasury, into which donations from the sale of the fund-raising plates would be deposited and from which funds would be distributed quarterly to the Kiwanis International Michigan District. Money in the Fund at the end of a fiscal year would remain in the fund and not lapse to the state general fund.
- Require Kiwanis International to submit a logo design for the plate to the SOS.

[Section 811f of the Vehicle Code authorizes the SOS to issue a fund-raising plate upon request if accompanied by a \$25 fund-raising donation and a \$10 service fee in addition to the regular vehicle registration tax prescribed in the Code.]

MCL 257.811d and proposed MCL 257.811cc

FISCAL IMPACT:

The bill would have no fiscal impact on the state or on local units of government.

Section 811e of the Michigan Vehicle Code requires a start-up fee for the cost of producing a new fund-raising plate to be paid within 18 months after the effective date of a public act authorizing the creation of a fund-raising plate. This fee is customarily paid by the nonprofit organizations. The bill would therefore require Kiwanis International Michigan District to pay the start-up fee for the cost of producing the new fund-raising plate.

The start-up fee is calculated annually according to the prior three-year average cost of plate production as described in Section 811e. According to the Department of State (DOS), the start-up fee for Fiscal Year 2017-18 is \$90,000. Fee revenue would be deposited into the Transportation Administration Collection Fund, which is used to support DOS activities. The bill would have little to no fiscal impact on DOS, assuming the start-up fee is equal to the actual cost of production.

Legislative Analyst: E. Best
Fiscal Analyst: Michael Cnossen

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