

Legislative Analysis



4-H CLUB FUND-RAISING LICENSE PLATE

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House Bill 5487 (Substitute H-1)

Sponsor: Rep. Joe Hune

Committee: Transportation

Complete to 4-26-04

A SUMMARY OF HOUSE BILL 5487 AS REPORTED FROM COMMITTEE 4-22-04

The bill would amend the Michigan Vehicle Code to authorize the Michigan Secretary of State to develop and issue a 4-H Club fund-raising vehicle registration plate, and a fund-raising collector plate. The bill would require the Secretary of State to transfer donations from the sale of these plates to the state treasurer for distribution to the 4-H Foundation. The bill states that the 4-H Foundation shall expend money received from the fund-raising plates for projects within the state of Michigan.

Current law restricts the number of fund-raising license plates to not more than 7 at any one time. The H-1 substitute would strike that limitation.

FISCAL IMPACT:

Under current law (Section 811f of the Michigan Vehicle Code) the application for an original fundraising plate must be accompanied by a \$25 donation, payment of the regular registration tax, and a \$10 service fee. It is the revenue from the \$25 donation that would be transferred to the 4-H Foundation under the bill.

The Department of State indicates that the current \$10 service fee covers its marginal costs of manufacturing specialty plates, but does not cover initial start-up costs, estimated to be approximately \$15,000 per new plate issue. As a result, the bill would result in a net unreimbursed cost to the state of \$15,000 if the Secretary of State issued the 4-H fund-raising plates authorized under the bill.

BACKGROUND INFORMATION:

Public Act 77 of 2000 (SB 826) added Section 811e to the Michigan Vehicle Code to authorize the Secretary of State to develop Michigan university fund-raising and collector plates. The act also permitted the Secretary of State to develop up to 6 state-sponsored fund-raising plates and matching collector plates at any one time. The section was subsequently amended by PA 124 of 2001 (SB 602) to permit up to 7 state-sponsored fund-raising plates. The fund-raising plates currently authorized under this section are Agricultural Heritage, Children's Trust Fund, Lighthouse Preservation, Veteran's Memorial, Water Quality, Wildlife Habitat, and "Proud to be American."

Revenue from all of the current university and state-sponsored fund-raising plates is credited to a state fund or state-administered fund, with one exception. Revenue from “Proud to be American” plate donations is credited equally to the American National Red Cross and the Salvation Army.

For the 2002-03 fiscal year, the Department of State reports 88,381 transactions for the existing special cause license plates, generating over \$1.2 million for the special causes. For this same time period, the department reported 82,384 transactions for state university license plates, generating almost \$1.1 million for the universities.

Fiscal Analyst: William Hamilton

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