



Senate Fiscal Agency  
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## BILL ANALYSIS

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House Bills 5056 and 5058 (as passed by the House)  
Sponsor: Representative Reggie Miller (H.B. 5056)  
Representative Matt Bierlein (H.B. 5058)  
House Committee: Transportation, Mobility, and Infrastructure  
Senate Committee: Transportation and Infrastructure

Date Completed: 6-3-24

### **CONTENT**

**House Bill 5058 would amend the Michigan Vehicle Code to require the Secretary of State (SOS) to develop and issue a fundraising plate recognizing the Michigan 4-H (see BACKGROUND).**

**House Bill 5056 would amend the Michigan Vehicle Code to create the Michigan 4-H Foundation Fund within the State Treasury and require the State Treasurer to disburse money from the Fund on a quarterly basis to the Michigan 4-H Foundation.**

The bills are tie-barred.

#### **House Bill 5058**

The bill would require the SOS to develop and issue a fundraising plate recognizing the Michigan 4-H. The SOS would have to work with the Michigan 4-H to design this fundraising plate. Additionally, the SOS would have to transfer the donation money from the sale of Michigan 4-H fundraising plates to the State Treasurer, who would have to credit the donation money to the Michigan 4-H Foundation Fund (see House Bill 5056).

#### **House Bill 5056**

The bill would create the Michigan 4-H Foundation Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund and would direct the investment of the Fund. Additionally, the State Treasurer would have to credit to the Fund interest and earnings from fund investments and would be the administrator of the Fund for auditing purposes. Money in the Fund at the close of the fiscal year would have to remain in the Fund and could not lapse to the General Fund. The State Treasurer would have to disburse money in the Michigan 4-H Foundation Fund on a quarterly basis to the Michigan 4-H Foundation.

Proposed MCL 257.811gg (H.B. 5058); Proposed MCL 257.811hh (H.B. 5056)

### **BACKGROUND**

#### **Fundraising Plates**

The Code allows the State to develop and distribute fundraising license plates. The State may have up to 20 fundraising plates available for purchase at one time.<sup>1</sup> Currently, there are 16

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<sup>1</sup> MCL 257.811e

fundraising plates available, including a Breast Cancer Awareness plate (benefiting the Department of Health and Human Services' Michigan Breast & Cervical Cancer Control Program) and a Patriotic Plate (benefiting the American Red Cross and the Salvation Army).

A fundraising plate must be authorized by a public act (PA) that does the following:

- Identifies the purpose of the fundraising plates
- Creates a nonprofit fund or designates an existing nonprofit fund to receive the money raised through the sale of fundraising plates and matching collector plates; however, a fund cannot spend money received from the sale of a fundraising plate and matching collector plate outside of the State.
- If a fund is created, names the person or entity responsible for administering the fund.

Upon such a PA's passage, the fundraising plate sponsor must pay to the SOS, within 18 months of the PA's effective date, a start-up fee equal to a three-year average of the cost to the SOS of developing a new fundraising plate. The SOS must use the three most recent preceding years in which it developed at least one fundraising plate when calculating this three-year average. The SOS must deposit the fee in the Transportation Administration Collection Fund to be used for the cost of creating, producing, and issuing fundraising plates.

#### The Michigan 4-H Foundation

According to Michigan State University (MSU), Michigan 4-H is the largest youth development organization in Michigan. The organization is part of MSU Extension and administered throughout the State by local MSU extension offices. The four "H"s stand for head, heart, hands, and health. The organization offers a variety of youth development programs, including animal science, arts, and environmental and outdoor education, among many others.

The Michigan 4-H Foundation is a non-profit fundraising organization based in East Lansing, Michigan. According to its website, the Foundation solicits and manages support from private individuals, organizations, foundations, and corporations to support Michigan 4-H Youth Development programs.

Legislative Analyst: Abby Schneider

#### **FISCAL IMPACT**

The cost to create a fund-raising specialty plate currently averages an estimated \$90,000 for design and production of the plate. This start-up cost would first need to be paid by Michigan 4-H before the Department of State (DOS) would begin production and issuance of the 4-H plate.

Upon issuance of a fund-raising plate, the applicant must submit a \$25 fund-raising donation (\$10 donation for a renewal) along with the applicable vehicle registration tax. The fund-raising donations would be deposited into the Michigan 4-H Foundation Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to Michigan 4-H. The vehicle registration tax revenue would be deposited into the Michigan Transportation Fund (MTF) while any other fee revenue, aside from the fund-raising donation, would be deposited into the Transportation Administration Collection Fund. Finally, there could be additional costs to the DOS associated with the development and issuance of the new plate; however, these costs should be minimal and absorbable within annual appropriations. The MTF likely would not see any increase in revenues as most applicants for the new plate likely are already paying the vehicle registration tax which the bill would not affect.

The bill would have no fiscal impact on the Department of Treasury. Based on the level of estimated revenue likely to be appropriated to the Michigan 4-H Foundation Fund, ongoing costs associated with administration and investment would be less than \$100. Current appropriations would be sufficient to carry out these activities.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco, Jr.  
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.