



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1489 (as reported without amendment)
Senate Bill 1490 (Substitute S-1 as reported)
Sponsor: Senator Jason E. Allen (S.B. 1489)
Senator Jim Barcia (S.B. 1490)
Committee: Hunting, Fishing and Outdoor Recreation

CONTENT

Senate Bill 1490 (S-1) would amend Part 821 (Snowmobiles) of the Natural Resources and Environmental Protection Act to do the following:

- Increase the snowmobile trail permit sticker fee.
- Create the Permanent Snowmobile Trail Easement Subaccount.
- Require the Department of Natural Resources (DNR) to spend Subaccount money for grants to tax-exempt entities to purchase land and secure easements or other agreements allowing use of private property to establish permanent public snowmobile trails.
- Require proceeds from the sale of land or the termination of easements or agreements under the bill to be deposited in the Subaccount.
- Require the dissolution of the Subaccount and the transfer of any money in it to the Recreational Snowmobile Trail Improvement Subaccount upon the full development of the public snowmobile trail system.

The current trail permit fee is \$25. Under the bill, the fee would be as follows: in 2009 and 2010, \$50 (or \$35 if paid by November 15 of the respective year); in 2011, 2012, and 2013, \$60 (or \$45 if paid by November 15 of the respective year); and in 2014 and each subsequent year, \$75 (or \$60 if paid by November 15 of the respective year).

The bill would retain the requirement that 50 cents of the trail permit fee be retained by the DNR for administrative costs, and \$1 be retained by the agent selling the permit. The bill would require the balance (rather than \$23.50) to be deposited into the Recreational Snowmobile Trail Improvement Subaccount.

Senate Bill 1489 would amend Part 821 to do the following:

- Designate the operation of a snowmobile without proper registration a misdemeanor, and increase the maximum fine for a violation from \$50 to \$200.
- Increase snowmobile registration and renewal fees from \$22 to \$30.
- Allocate the amount of the fee increase to the Permanent Snowmobile Trail Easement Subaccount.

Part 821 requires that certain amounts of each registration fee be deposited into various funds for specified purposes. From each fee, \$5 must be deposited in the Recreational Snowmobile Trail Improvement Subaccount. Money appropriated from this Subaccount for snowmobile trails and facilities may be spent for the acquisition, development, and maintenance on any land in the State; and may be used to purchase land or secure easements, leases, permits, or other appropriate agreements permitting use of private property for snowmobile trails, basic facilities, and areas that may be used by bicyclists, hikers, equestrians, and other nonconflicting off-season recreational trail users, if the

easements, leases, permits, or agreements provide public access to the trail, use areas, and support facilities. The bill would delete these provisions, but would allow money in this Subaccount to be used to purchase land or secure easements, leases, permits, or other appropriate agreements authorizing use of private property for snowmobile trails and basic snowmobile facilities.

The bill also would require \$8 from each registration fee to be deposited into the proposed Permanent Snowmobile Trail Easement Subaccount. The bill provides that this money would be intended to supplement other money spent for snowmobile-related activities of the DNR, and not as a replacement of those expenditures.

The bills are tie-barred to each other and would take effect on October 1, 2008.

MCL 324.82103 et al. (S.B. 1489)
324.82118 et al. (S.B. 1490)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The proposed increases in registration and trail sticker fees would bring additional revenue to the State of about \$4.9 million annually for snowmobile purposes.

According to the Department of State, there were 264,348 snowmobiles registered in the State in FY 2006-07. Since the registration fee is paid once every three years, the total additional revenue of \$2.1 million collected from the higher registration fee proposed in Senate Bill 1489 would be spread out over those years for a total of approximately \$700,000 annually. Also, the increased cost of registration could result in a reduction in the number of snowmobiles registered. The additional revenue from the registration fees would be deposited into the Permanent Snowmobile Trail Easement Subaccount and used to support grants for purchasing land or securing easements to allow use of snowmobiles on private land and to establish permanent snowmobile trails in the State. No additional revenue would be deposited into the Snowmobile Registration Fee subaccount, nor would the Department of State retain any more of the revenue for administrative purposes than it currently does.

The proposed increase in the trail permit sticker fee under Senate Bill 1490 would increase revenue to the Recreational Snowmobile Trail Improvement Subaccount an indeterminate amount. The current annual permit fee of \$25 for a trail sticker initially would be doubled to \$50; however, the bill would provide for a \$15 discount if the trail sticker were purchased by November 15 of each year. According to the Department of Natural Resources, in FY 2006-07 \$4.8 million was collected from the sale of 190,600 trail stickers. Under the bill, this revenue could double to \$9.5 million in FY 2008-09, but an unknown number of people would purchase the trail sticker at the discounted price, so the increase in revenue would be somewhat less. Also, the increased cost of a trail sticker could result in a reduction in the number of trail stickers purchased. If 20% of people purchasing a snowmobile trail sticker were to do so at the discounted price of \$35, the total additional revenue to the Recreational Snowmobile Trail Improvement Subaccount would be \$4.2 million.

The increased trail sticker fee of \$50 would be effective in 2009 and 2010 only. It would increase to \$60 (or \$45 if purchased by November 15) for 2011, 2012, and 2013. Then, it would increase again to \$75 (or \$60 if purchased by November 15) in 2014 and thereafter.

Date Completed: 9-29-08

Fiscal Analyst: Jessica Runnels

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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.