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Senate Bill 1057 (as reported without amendment)
Sponsor: Senator Patricia L. Birkholz
Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend Part 741 (State Parks System) of the Natural Resources and Environmental Protection Act (NREPA) to do the following:

- Effective October 1, 2010, prohibit the operator of a resident motor vehicle from entering a State park without paying a proposed recreation passport fee.
- Apply existing provisions regarding motor vehicle park permits and fees to nonresident vehicles and commercial motor vehicles (CMVs).
- Eliminate provisions establishing park permit fees for resident motor vehicles, and eliminate the April 1, 2010, sunset on nonresident motor vehicle fees.
- Prescribe a daily park permit fee of \$15 for CMVs.
- Require the State Treasurer to adjust permit fees annually, to reflect changes in the consumer price index.
- Prescribe a \$100 maximum civil fine for entering a State park without a required permit or recreation passport.
- Authorize the Department of Natural Resources (DNR) to promulgate rules providing an alternative method for payment of the proposed recreation passport fee.
- Eliminate the Citizens Committee for Michigan State Parks and transfer its duties to the Natural Resources Commission (NRC).
- Require the NRC to make recommendations to the Legislature for savings in State park and forest recreation programs.
- Specify legislative findings.

The bill is tie-barred to Senate Bill 389 and House Bills 4677 and 5752.

Senate Bill 389 (H-2) would amend the Michigan Vehicle Code effective October 1, 2010, to provide for a State park and State-operated public boating access site recreation passport that a Michigan resident could obtain by paying an additional fee when registering a motor vehicle. The fee would be \$5 for a motorcycle and \$10 for all other resident motor vehicles.

House Bill 4677 (H-3) would amend NREPA, effective October 1, 2010, to prohibit a resident motor vehicle operator from entering a State-operated public boating access site without paying the recreation passport fee, and establish a maximum \$100 civil fine for a violation.

House Bill 5752 would amend NREPA to prescribe the distribution of recreation passport fee revenue and create the Local Public Recreation Facilities Fund for grants to local units of government for the development of public recreation facilities.

MCL 324.74101 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would require the State Treasurer annually to adjust nonresident park permit fees according to changes in the consumer price index (CPI). According to data from the U.S. Bureau of Labor Statistics, the CPI has grown at an average rate of about 2.9% annually in the last 20 years. Having the ability to adjust nonresident park permit fees would help the Department respond to rising operating costs. As an example, inflation of about 2.8% was experienced from fiscal year 2006-07 to fiscal year 2007-08. This would have resulted in an increase in the nonresident annual permit fee from \$29 (as it was in 2007, and is currently) to \$29.80, and would have generated additional revenue of about \$59,000. This authority would match that proposed in Senate Bill 389 (H-2), which would require the State Treasurer annually to adjust the park passport fee to account for changes in the CPI.

Senate Bill 1057 would allow the DNR to promulgate a rule for the sale of park passports by the Department after vehicles were registered. This would allow residents to forgo the purchase of a passport when their vehicle's registration was being renewed, but to buy one at a later date if the need arose. To give residents an incentive to opt in to the passport program upon registration, the bill would authorize the Department to charge up to two times the normal price for a passport (\$20, as the normal price would be \$10). It is not possible to determine how many residents would participate in the program in this manner. As part of this authorization, the bill also would provide for a transition between the current motor vehicle permit program and the park passport program, allowing passports to be purchased outside of the vehicle registration process for the normal price during calendar year 2010.

After April 1, 2014, the authorizations described in the previous paragraph would no longer apply, unless in fiscal year 2010-11, 2011-12, or 2012-13, revenue from the passport program, minus appropriations to the Secretary of State, exceeded \$12,017,514. Discontinuing the alternative method of selling passports would have a negative effect on revenue, as residents willing to pay the higher price for the passport outside of the vehicle registration process would no longer be able to do so, and would necessitate legislative action to ensure that the State park program remained well funded, and that park passports would be available to residents who wished to purchase them.

Under the bill, entering a State park or State-operated marina without a park passport or nonresident permit would be a civil infraction and violators could be ordered to pay a fine of not more than \$100. Pursuant to MCL 600.8831, this revenue would help fund public libraries in the State. It is unknown how much revenue would be realized as a result of these fines.

The bill would abolish the Citizens Committee for Michigan State Parks and transfer its duties to the Natural Resources Commission. The Committee members serve without compensation, but are reimbursed for necessary expenses incurred while serving. Some small savings would be realized as these expenses would no longer be reimbursed.

The bill also would require the NRC to prepare and submit a report containing recommendations for savings measures in State park programs. The measures suggested would have to be 10% of the expenditures for State park programs in fiscal year 2008-09. Using the appropriation for State parks in 2009 as an estimate, the savings would need to be in the neighborhood of \$4.5 million. If these measures could be identified and brought to fruition by the Department, they could result in substantial savings.

Date Completed: 1-20-10

Fiscal Analyst: Josh Sefton

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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.