

OFF-ROAD VEHICLE FEES

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Senate Bill 552 as passed Senate w/o amendment

Sponsor: Sen. Geoffrey Hansen

House Committee: Tourism and Outdoor Recreation

Senate Committee: Outdoor Recreation and Tourism

Complete to 10-17-17

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

SUMMARY:

SB 552 would amend the Natural Resources and Environmental Protection Act (NREPA) to extend provisions of two fees related to off-road vehicles (ORVs).

The bill would do the following:

- Extend to October 1, 2024 the requirement for the Secretary of State to credit fees from an ORV registration and title lookup service to the Transportation Administration Collection Fund. [Currently, this allocation will end October 1, 2019.]
- Extend to April 1, 2024 the expiration of license fees for the operation of an ORV. [Currently, these fees are set to expire on April 1, 2019.]

The bill would take effect 90 days after being enacted to law.

MCL 324.81114 and 324.81116

BRIEF BACKGROUND:

Currently under the act, there is a \$26.25 annual fee for a license that does not authorize operation of an ORV on state ORV trails, and a \$36.25 fee for a license that does authorize operation on these trails.

FISCAL IMPACT:

After October 1, 2019, the bill would prevent a minimal decrease in revenue to the Transportation Administration Collection Fund which is the main fund source for the Department of State (DOS) and supports various departmental operations. The record look-up service charge is \$11. DOS estimates that there are very few look-up requests related to ORV records. If the sunset is not extended, look-up fee revenue will be deposited in the General Fund.

Senate Bill 552 would increase future revenue for the Department of Natural Resources by extending the sunset on ORV license fees from April 2019 to April 2024. These fees generated an estimated \$8.2 million in FY 2016-17 for the ORV trail improvement fund and the ORV safety education fund. These funds primarily support DNR's ORV grant programs; they also support appropriations for parks and recreation, law enforcement, and

departmental administration. The bill is unlikely to affect departmental costs as the ORV license fee collection process is already in place and would be extended. Local units of government are not likely to realize a fiscal impact under the bill.

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