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BILL ANALYSIS



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Senate Bill 552 (as introduced 9-13-17)
Sponsor: Senator Goeff Hansen
Committee: Outdoor Recreation and Tourism

Date Completed: 9-26-17

CONTENT

The bill would amend Part 811 (Off-Road Recreation Vehicles) of the Natural Resources and Environmental Protection Act to extend the following until a date in 2024:

- **The current fees for an off-road vehicle (ORV) license.**
- **A requirement that the Secretary of State credit to the Transportation Administration Collection Fund the commercial look-up fee for ORV records.**

The bill would take effect 90 days after enactment.

ORV License

An ORV license issued under Part 811 is valid for the 12-month period beginning on April 1 and ending on March 31 each year. The amount of the current fee depends on whether the license authorizes the operation of the ORV on State ORV trails.

The fee is \$26.25 for a license that does not authorize operation of the ORV on State trails, and \$36.25 for a license that does authorize operation on State trails. These fees will continue to apply to a license valid for the 12-month period beginning April 1, 2018.

For an ORV license valid for a 12-month period beginning April 1, 2019, or a subsequent April 1, there will be no fee.

Under the bill, there would be no fee for an ORV license valid for a 12-month period beginning April 1, 2024, or a subsequent April 1.

ORV Record Look-Up Fee

Part 811 permits the Secretary of State (SOS) to provide a commercial look-up service of ORV operation, title, and registration records. For each record looked up, the Secretary of State must charge a fee specified annually by the Legislature or, if there is none, a market-based price established by the SOS.

Through October 1, 2019, the SOS must credit the fees to the Transportation Administration Collection Fund. The bill would extend this requirement until October 1, 2024.

MCL 324.81114 & 324.81116

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have a positive fiscal impact on the Department of Natural Resources (DNR) and county sheriffs after October 1, 2019, and no fiscal impact before that. The bill would delay the sunset of license fees for off-road vehicles. In total, these fees generate about \$7.0 million to \$7.5 million per year, which is required by statute to be spent as follows:

- Not less than 50% must be distributed as grants for planning, improving, constructing, signing, or maintaining ORV trails.
- Not less than 31.25% must be spent on law enforcement; 24% of this amount must be distributed as grants to county sheriffs.
- Not less than 12.5% must be distributed as grants to public agencies or nonprofits for the repair of damage done by ORVs on public land.
- Not more than 3.125% must be spent by the DNR for administration.
- The remaining 3.125% must be distributed as grants for planning, improving, constructing, signing, or maintaining ORV trails, or for law enforcement.

The bill also would have a negligible fiscal impact on the Department of State. While the current fee for a record look-up is \$11, the Department has stated that there are relatively few requests for the records of off-road vehicles. Any fees received by the Department of State for record look-ups are deposited into the Transportation Administration Collection Fund (TACF), which is the main funding source for the Department. In FY 2016-17, the total funds collected in the TACF are estimated at \$130.0 million. Again, according to the Department, the revenue received annually for ORV records is minimal.

Before the fees were deposited into the TACF, they were deposited into the Record Look-Up Fee fund, which also was used as a funding source by the Department. If the sunset takes place, the fees presumably will be allocated as they were in the past.

Fiscal Analyst: Joe Carrasco
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