



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



BILL ANALYSIS

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

Senate Bill 924 (Substitute S-2 as reported)
Sponsor: Senator Michelle A. McManus
Committee: Natural Resources and Environmental Affairs

(as enrolled)

Date Completed: 9-28-06

RATIONALE

Several issues have been raised concerning State park motor vehicle entrance fees that the Department of Natural Resources (DNR) charges. The current fees for motor vehicle permits were set in 2003, when increases were enacted. These fees are scheduled to expire on January 1, 2007. Since the DNR will have no authority to charge park entrance fees if the sunset takes effect, and the Department budget for State park operations is heavily dependent on user fees, it has been suggested that the expiration date be postponed for several years.

Another issue pertains to the replacement of park permits, as well as off-road vehicle (ORV) licenses, which are attached to a motor vehicle or ORV. There are various situations in which a person might need to replace his or her permit or license. For example, the vehicle might be traded in, damaged in an accident, or stolen. Evidently, there is some confusion about whether the DNR will charge to replace a permit or license. The DNR's policy is to supply a replacement free of charge *if* the permit holder or licensee provides sufficient evidence that the original was lost or destroyed. Some people believe that the DNR should be required by statute to furnish a free replacement under these circumstances.

It also has been suggested that individuals who perform volunteer work, such as cleanup and maintenance, at State parks should not have to pay the entrance fees. Currently, the DNR Director and State parks managers have no authority to waive the fees.

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to do the following:

- Delay from January 1, 2007, to January 1, 2010, the expiration date on annual and daily State park permit fees (shown below in [Table 1](#)).
- Require the Department of Natural Resources to replace a person's annual park permit or off-road vehicle license free of charge, if the permit or license were lost or destroyed; and allow the DNR to require a person requesting a replacement to supply sufficient evidence of the loss or destruction of the original permit or license.
- Allow the DNR to waive the State park permit requirement for Department-sponsored events or other circumstances as determined by the DNR Director or the Director's designee.

Table 1

State Park Entrance Fees

Permit	Fee
Annual	
Resident	\$24
Resident 65 years or older	6
Resident food stamp card-holder	18
Nonresident	29
Daily	
Resident	6
Nonresident	8

The annual ORV license fee is \$16.25.

MCL 324.74117 & 324.81116

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The loss of revenue from the State park motor vehicle entrance fees will leave a sizeable hole in the DNR's budget if the fees are allowed to expire. In fiscal year 2004-05, these fees generated over \$13.0 million. Without this revenue, the DNR's ability to maintain, improve, and operate the State parks would be seriously undermined. The Department likely would have to close some parks in order to keep others open, depriving Michigan residents of valuable recreational opportunities. By delaying the sunset for three years, the bill would maintain the DNR's authority to collect park entrance fees at current rates, as well as give Department officials and lawmakers more time to assess the adequacy of the fees and make necessary adjustments.

Supporting Argument

Evidently, there has been some confusion about the DNR's policy regarding the replacement of lost or destroyed park permits or ORV licenses, because the Department has replaced them for free in some cases but not in others. The bill would make it clear that the DNR would have to provide a free replacement but could require a permit holder or licensee to supply satisfactory evidence that the original was lost or destroyed, which is the DNR's current approach. If a motor vehicle is traded in, for example, the owner may have to scrape off the permit and give it to the DNR. In other cases, a photo of the vehicle showing the permit should suffice. If a car's windshield is broken and the permit is damaged or destroyed, the Department will accept an affidavit from the glass company. In the case of an ORV license, the DNR has a database that it can search for proof that a person bought a license. The bill essentially would codify the DNR's existing policy, which should clear up residents' confusion.

Supporting Argument

There are a number of opportunities for people to perform volunteer work in State parks. Recently, for example, volunteers were needed for the Piping Plover Patrol at the Wilderness and Leelanau State Parks. The State Park Stewardship Program

currently is seeking volunteers to collect native prairie seeds at several parks and recreation areas. In addition, a group called the Friends of Sleepy Hollow State Park has built trash bag dispensers at trail heads and other key locations in the park. An ongoing program involves the Great Lakes Lighthouse Museum, at the Leelauau State Park, where volunteer "keepers" maintain the building and grounds, staff the admissions desk, work in the gift shop, and clean the tower. Other State park volunteer opportunities involve cleanup and maintenance work. Although the participating individuals contribute their time and energy without compensation, they still are required to pay motor vehicle entrance fees. By allowing the DNR Director or the Director's designee to waive the fees, the bill could increase volunteerism, which is especially important in these tight budget times. The fee waiver also would show appreciation for the efforts of the individuals, who should not have to pay in order to perform volunteer work.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would postpone the sunset on motor vehicle entrance permits to State parks from January 1, 2007, to January 1, 2010. The bill would not change the fees, so annual revenue is not expected to increase or decrease. The permit fees generated \$13.2 million in FY 2004-05. Vehicle permit revenue is deposited into the Park Improvement Fund and used for operation, maintenance, and improvement of the 97 State parks.

While the impact is likely to be small, the bill would cost the State an indeterminate amount depending on the number and type of vehicle permits and ORV licenses lost or destroyed that were replaced free of charge. The State also would lose an indeterminate amount if the DNR Director waived vehicle permit requirements for Department-sponsored events.

Fiscal Analyst: Jessica Runnels

A0506\924a

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.