

Legislative Analysis



GAME AND FISH PROGRAM WORK GROUP

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Senate Bill 927 (Substitute H-1)

Sponsor: Sen. Michelle A. McManus

House Committee: Conservation and Outdoor Recreation

Senate Committee: Natural Resources and Environmental Affairs

First Analysis (6-15-04)

BRIEF SUMMARY: The bill would re-establish a legislative work group to review game and fish program revenue for the Department of Natural Resources.

FISCAL IMPACT: The bill would have no fiscal impact on state or local government.

THE APPARENT PROBLEM:

Public Act 50 (enrolled House Bill 4912) of 2001 amended the Natural Resources and Environmental Protection Act to permit the legislature to annually appropriate and transfer up to \$6 million from the corpus of the Game and Fish Protection Trust Fund to the Game and Fish Protection Fund. At the time, it was argued that the diversion of funds was necessary to maintain the solvency of the Game and Fish Protection Fund, which is the primary funding source for the Department of Natural Resources' hunting and fishing programs.

The Game and Fish Protection Trust Fund was established by Public Act 73 of 1986 (now Part 437 of NREPA) to provide the Department of Natural Resources with a source of income that would help offset inflationary cost increases. (The Game and Fish Protection Fund is largely supported by revenue generated from the sale of hunting and fishing licenses, which have a fixed price. The department cannot continually increase license fees to account for inflationary cost increases and other programmatic cost increases.) Initially, the major source of funds for the trust fund was \$8 million that had been generated under the former Kammer Recreational Land Acquisition Trust Fund Act (Public Act 204 of 1976). (The Michigan Natural Resources Trust Fund eventually replaced the Kammer fund in 1984.) In addition, the trust fund received money in Fiscal Year 1985-86 and Fiscal Year 1986-87 from oil and gas royalties from state lands purchased by funds from the Game and Fish Protection Fund that would ordinarily have gone into an account created by the former Kammer Act. Currently, the trust fund receives rentals, bonuses, and royalties from the removal of minerals, coal, oil, gas, timber, and other resources from state-owned lands acquired by funds from the Game and Fish Protection Fund. Any interest and earnings from the trust fund are deposited into the Game and Fish Protection Fund.

The 2001 act allowing for the diversion of funds from the corpus of the trust fund drew considerable opposition from many of the DNR's stakeholders. As a means of placating

those concerns, and to ensure the development of a long-range funding scheme for departmental operations, Public Act 50 also called for the creation of a bi-partisan legislative work group to review game and fish program revenue. However, members of Senate were never named to the work group, and the work group never actually met. During the course of the development of the DNR's budget for Fiscal Year 2004-2005, some people came to believe that a systematic review of the game and fish program revenue (separate from the budget process) is still needed. Legislation to re-establish the work group has been introduced.

THE CONTENT OF THE BILL:

The bill would amend Part 437 (Game and Fish Protection Trust Fund) of the Natural Resources and Environmental Protection Act to establish a joint legislative work group on game and fish program revenue.

The work group would consist of representatives of the House and Senate standing committees with primary responsibility for natural resources issues and the House and Senate Appropriations subcommittees on natural resources. The Speaker of the House and the Senate Majority Leader would appoint members on a bipartisan basis within 30 days of the bill's effective date. The work group would also include representatives of the Natural Resources Commission and other interested parties. Assistance and staff support to the work group could be provided by the House and Senate Fiscal Agencies.

By December 31, 2004, the work group would have to issue to the Legislature a report that included tax credit issues and alternative funding options to establish stable sources of long-term financial support for game and fish protection programs.

MCL 324.43705

HOUSE COMMITTEE ACTION:

The House Committee on Conservation and Outdoor Recreation extended the reporting deadline from September 30 to December 31, 2004.

ARGUMENTS:

For:

The creation of a legislative work group should help to ensure that state legislators will review the DNR's game and fish programs. Under current law, the interest and earnings of the Game and Fish Protection Trust Fund plus \$6 million from the corpus of the trust fund are deposited into the Game and Fish Protection Fund for expenditure by the DNR. While the current funding mechanism may have temporarily extended the solvency of the Game and Fish Protection Fund, it does not address the long-term financial needs of the department. Continued diversions of the trust fund corpus invariably decrease the amount of interest and earnings available for deposit to the Game and Fish Protection Fund, and are clearly unsustainable.

Response:

While the bill permits the work group to include members of the Natural Resources Commission and other “stakeholders”, it should also specifically include staff of the Department of Natural Resources. It is unlikely that any systematic review of the DNR’s game and fish program can proceed without the DNR itself.

Against:

The bill is not necessary for a variety of reasons. First, the legislature convenes these types of work groups all of the time and does not need statutory authority to do so. Second, experience has shown that statutorily establishing this work group does not ensure that the work group will actually be established. Finally, the proposed work group largely duplicates the work of the Natural Resources Commission’s Policy Committee on Finance and Administration, which already reviews the financial concerns of the department, and does so in a public forum.

POSITIONS:

The Michigan United Conservation Clubs supports the bill. (6-9-04)

Trout Unlimited supports the bill. (6-9-04)

The Department of Natural Resources opposes the bill. (6-9-04)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.