



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4400 (S-1 as reported)

Committee: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation \$254,797,247

Changes from FY 2002-03 Year-to-Date:

1. **Purchase Land Payments in Lieu of Taxes.** The Department of Natural Resources is required to make payments in lieu of taxes on certain State-purchased lands from the same source of financing as that used to purchase the land. The Governor proposes a new formula for calculating these payments in which the State will pay a flat rate of \$2 per acre in place of the local property tax rate and all payments will be made from the General Fund. These are the same rate and fund source applied to payments made for State swamp land and tax reverted lands. A statutory change is necessary to enact this proposal. The House removes all of this funding. The Senate Committee restores the current year funding and makes baseline adjustments to restricted funds. 517,700
2. **Motor Vehicle Permit Fees.** The Governor proposes shifting the authority for setting motor vehicle permit fees for State parks to the Natural Resources Commission and raising the current fee levels. The Governor's budget appropriates additional fee revenue of \$2,396,900 and reduces General Fund support of State parks by an equal amount. A statutory change is required to implement these recommendations. The House rejects the Governor's proposal. The Senate Committee includes the Governor's fee increase and fund shift. 0
3. **State Park Operations.** The Governor uses spending authority authorized in Proposal 02-2 in August 2002 from the State Parks Endowment Fund (\$6,000,000) and an appropriation of \$150,000 from the balance of the Park Improvement Fund to offset the remaining General Fund support for State park operations. A statutory change is required to eliminate a provision that sets a minimum level of General Fund appropriation for State parks. The Senate Committee concurs. 0
4. **Off-Road Vehicle Safety Grants.** This grant program is transferred from the Department of Education to the Department of Natural Resources. The Senate Committee includes \$50,000 for grant administration and \$294,300 for grants. 344,300
5. **Snowmobile Local Grants.** The House includes an additional \$1,000,000 for these grants. The Senate Committee creates an item of difference. 1,000,100
6. **Cooperative Resources Management Initiative.** The Senate added funding to support a joint program of the Departments of Natural Resources and Agriculture for private forest management. 600,000
7. **Federal Funding.** The budget includes a number of adjustments in Federal funds, including a grant increase of \$900,000 for fish marking and tracking and a grant reduction of \$3,933,000 for Land and Water Conservation grants that will be appropriated once the allotment for the Department is determined. The Senate Committee includes additional Federal funds and 8.0 FTEs pursuant to a revised Executive recommendation. 2,858,400
8. **Restricted Funding.** The budget includes a number of adjustments in State restricted grant funds. The Senate Committee makes additional adjustments to Restricted funds to reflect a revised Executive recommendation, changes in grant funding, and to create items of difference. (534,400)
9. **Economic Adjustments.** The budget includes economic adjustments for building occupancy charges and workers' compensation. (54,000)
10. **Other Changes.** The budget makes adjustments for other issues, such as early retirement savings, private grants, various General Fund reductions, and one-time appropriations in FY 2002-03. (1,581,247)
11. **Comparison to Governor's Recommendation.** The Senate Committee is \$15,805,200 Gross, \$1,962,100 GF/GP over the Governor's recommendation.

Total Changes **\$3,150,853**

FY 2003-04 Senate Appropriations Committee Gross Appropriation \$257,948,100

Changes from FY 2002-03 Year to Date:

1. The Governor eliminates and the House and Senate Committee restore sections regarding privatization, buy American intent, restricted fund balance report, grant and loan program report, Game and Fish Protection Fund appropriations, administrative cost plan, habitat improvement and treatment report, Bovine TB report, prohibition to impede water control structure certification, staff for timber marking, Adopt-a-Forest program, snowmobile law enforcement grants, Federal land and water conservation funds, and ORV trail improvements. (Sections 207, 209, 210, 212, 213, 215, 301, 501, 601, 802, 803, 901, 1103, and 1104)
2. The Senate Committee restores sections that are eliminated by the Governor and House regarding retention of reports, activities of the MI State Waterways Commission, fish advisory information, report on construction in State parks, and abandoned mine shaft emergencies. (Sections 211, 214, 404, 703, and 804)
3. **Hiring Freeze.** The House removes this section that is proposed by the Governor. The Senate restores it. (Sec. 205)
4. **Information Technology User Fees.** The Governor includes a section requiring the Department to pay user fees to the Department of Information Technology. The House removes this section and the Senate retains it. (Sec. 217)
5. **FY 2002-03 Unexpended General Fund.** The Governor adds a section appropriating one half of unreserved General Fund appropriations remaining from FY 2002-03 for the next fiscal year. The House and Senate remove this section.
6. **Federal Advisory Report.** The Senate adds two section regarding the reimbursement of the Game and Fish Protection Fund. The first, Sec. 1201, designates the appropriation in Part 1 as an appropriation from the General Fund into the Game and Fish Protection Fund. The second section, Sec. 1202, states that legislative transfers are required to apply the negative appropriation for budgetary savings to specific line items. These same sections are included for the appropriations in Part 1A for the balance of the reimbursement of the Game and Fish Protection Fund in FY 2002-03. (Part 2A, Sections 1301, 1401, and 1402)
7. **Application and Transaction Fees.** The Governor adds a section authorizing the Department to set and charge land transaction fees. The House removes this section. The Senate Committee retains it. (Sec. 403)
8. **Land Transaction Report.** The House adds a section requiring a list of surplus property available for public auction. The Senate Committee amends it to require a quarterly report on all land transactions. (Sec. 405)
9. **Wolf and Coyote Indemnification Payments.** The Senate Committee restores current year language for the Department to reimburse the Department of Agriculture for livestock indemnification payments. It adds payments for livestock losses due to coyotes. (Sec. 502)
10. **Big Rapids Riverwalk.** The Senate Committee adds a section designating funding in Part 1 for a Big Rapids Riverwalk project. (Sec. 603)
11. **Defibrillators in State Parks.** The Senate Committee adds a section directing the Department to attempt to place defibrillators in State parks and allowing it to accept donation of defibrillators. (Sec. 704)
12. **Porcupine Mountains Wilderness State Park.** The Senate Committee adds a report on the economic impact of the ski hill in this park and prohibits alterations until the report is received. (Sec. 705)
13. **Timber Marking for Harvest.** The House amends the current section to state that the Department shall endeavor to increase the marking of hardwood timber by 10% over 2003. The Senate Committee concurs. (Sec. 801)
14. **ORV Trails Advisory Board.** The Senate Committee adds a section specifying that the Board shall include an ORV dealership owner or operator. (Sec. 805)
15. **Cooperative Resources Program.** The Senate Committee adds a section designating \$1,000,000 from the Cooperative resources program line to the Department of Agriculture for a management initiative program. (Sec. 806)
16. The Governor, House, and Senate Committee all remove sections regarding NRC per diem, chronic wasting disease study, Federal funds for the MI Civilian Conservation Corps, old growth forests, Federal forest management, Environmental Protection Fund used for payments in lieu of taxes, and early retirement and budgetary savings.
17. The Senate Committee does not include sections proposed by the Governor or the House regarding contingency fund authorization, information technology rate schedule, Federal advisory report on the Game and Fish Protection Fund, the Land Sale Fund, credit card license sales, a prohibition on dispersed camping fees, and a property sale to Pere Marquette Township.

Date Completed: 6-12-03

Fiscal Analyst: Jessica Runnels

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.