



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 338 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Michelle A. McManus
Committee: Natural Resources and Environmental Affairs

Date Completed: 8-16-07

RATIONALE

Michigan's tourism industry is heavily reliant on outdoor recreational activities, such as hunting, fishing, and camping. The State reportedly ranks third in the nation for licensed hunters and eighth for licensed anglers, who are said to contribute \$1.3 billion and \$2.0 billion, respectively, to the State's economy every year. In 2006, the Parks and Recreation Division of the Department of Natural Resources (DNR) began offering \$25 gift certificates to be used to cover fees associated with State parks, State recreation areas, and State-operated harbors. In order to increase the promotion of tourism and the State's natural resources, it has been suggested that the DNR be required by statute to offer the gift certificates and that the purposes for which they may be used be expanded.

CONTENT

The bill would amend Part 5 (Department of Natural Resources) of the Natural Resources and Environmental Protection Act to require the DNR, by October 1, 2007, to offer to the public one or more gift certificates redeemable for at least all of the following:

- Hunting and fishing license fees.
- State park motor vehicle permit and camping fees.
- Mooring fees.
- Off-road vehicle license fees.
- Snowmobile license fees.

Proposed MCL 352.513

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 gift certificates currently offered by the Parks and Recreation Division evidently have been popular, with more than 1,000 being sold within a few months of their introduction, according to the DNR. By expanding the use of gift certificates to other goods and services offered by the DNR, the bill could encourage more people to take advantage of the abundant outdoor recreational activities available in Michigan. This could provide a boost to the State's tourism industry, mitigate a decline in revenue to the DNR, and help foster an appreciation for natural resources.

Response: Revenue from the various fees identified in the bill is distributed to specific restricted funds. The bill should include a provision that the revenue from unredeemed gift certificates would be distributed on a pro-rata basis to those funds, instead of being considered abandoned property and deposited in the General Fund.

In another matter, DNR gift certificates currently may be redeemed for merchandise sold at State parks, recreation areas, and harbors. The bill should include this merchandise among the items eligible for purchase with a gift certificate. Additionally, the bill should allow the DNR to issue the gift certificates in lieu of cash refunds.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would result in an unknown amount of administrative and information technology costs for the Department of Natural Resources to implement a gift certificate program. All of the revenue from the gift certificates would be deposited into State restricted funds.

Fiscal Analyst: Jessica Runnels

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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.