



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 338 (as enacted)

PUBLIC ACT 293 of 2008

Sponsor: Senator Michelle A. McManus

Senate Committee: Natural Resources and Environmental Affairs

House Committee: Tourism, Outdoor Recreation and Natural Resources

Date Completed: 4-17-09

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 was 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 amended Part 5 (Department of Natural Resources) of the Natural Resources and Environmental Protection Act to require the DNR, by March 1, 2009, 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.

The bill took effect on October 6, 2008.

MCL 324.513

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 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 should encourage more people to take advantage of the abundant outdoor recreational activities available in Michigan. This might 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 Act should include a provision that the revenue from unredeemed gift certificates 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 previously could be redeemed for merchandise sold at State parks, recreation areas, and harbors. The Act should include this merchandise among the items eligible for purchase with a gift certificate. Additionally, the DNR should be allowed to issue the gift certificates in lieu of cash refunds.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The Department of Natural Resources fully implemented the gift certificate program on March 1, 2009, absorbing minimal implementation costs. Whether the gift certificate program will generate additional revenue is not determinable.

Fiscal Analyst: Bill Bowerman

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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.