

# Legislative Analysis

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## RECREATION PASSPORT FEES

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### House Bill 4677

Sponsor: Rep. Rebekah Warren

### House Bill 4678

Sponsor: Rep. Arlan Meekhof

Committee: Great Lakes and Environment

Complete to 3-31-09

## A SUMMARY OF HOUSE BILLS 4677 & 4678 AS INTRODUCED 3-24-09

House Bill 4678 would amend the Motor Vehicle Code to require the Secretary of State to charge a **state park, public boating access site, and forest recreation passport fee** of \$10 (\$5 for motorcycles) to the owners of motor vehicles (except for commercial vehicles) when the vehicle is registered or its registration is renewed, beginning January 1, 2010. This fee revenue would be transferred from the Secretary of State to the Department of Natural Resources (DNR) for allocation as specified in House Bill 4677. (One-half of one percent of the revenue could be retained by the Secretary of State to defray administrative costs.

Motor vehicle owners would not have to pay the applicable recreation passport fee if they affirm on the registration application that they do not intend to use the motor vehicle to enter any state park or recreation area, state public boating access site, or state forest campground, or to provide access to any state forest nonmotorized trail or pathway during the registration period.

The new recreational passport would replace the annual park permit (and its \$24 fee) and the daily park permit (and \$6 day fee) for resident motorists, as well as fees related to the use of public boating access sites and forest recreation areas.

Among other things, House Bill 4677 would require the DNR to allocate the recreation passport fee revenue it receives each fiscal year to the following funds or accounts:

- **State Park Improvement Account** — The first \$10.7 million.
- **Waterways Account** — The next \$1.03 million.
- **State Park Improvement Account** — A total of 83 percent of the remaining revenue for use as follows:
  - 50 percent for capital improvements at state parks and recreation areas.
  - 30 percent for operations and maintenance of state parks and recreation areas
  - 3 percent for operations, maintenance, and capital improvements of state park cultural and historic resources.
- **Local Public Recreation Facilities Fund (to be created by the bill)** — 10 percent of remaining revenue to be used for development of local public recreation facilities.

- **Forest Recreation Account** — 7 percent of remaining revenue to be used for state forest campground and state forest nonmotorized trail and pathway system operations and capital improvements.

The bill would also require the Citizens Committee for Michigan State Parks to submit a report by December 31, 2009, identifying and recommending savings in state park and forest recreation programs equivalent to 10 percent of the cumulative expenditures for state park programs for the fiscal year ending September 30, 2009.

#### **DETAILED SUMMARY:**

**House Bill 4678** would add Section 805 to the Michigan Vehicle Code to prohibit the Secretary of State from issuing or renewing a motor vehicle registration unless, in addition to the taxes provided for under Section 801, **a state park, public boating access site, and forest recreation passport fee** is submitted to the Secretary of State with the application. In other words, when someone registers or renews a motor vehicle registration in Michigan, he or she would have to pay this passport fee in addition to the applicable registration fee, unless the recreation passport fee is declined as described below. In general, the recreation passport fee would be set initially at \$10 (\$5 for a motorcycle), except for commercial motor vehicles and subject to an annual adjustment in accordance with that year's change in the consumer price index. As introduced, House Bill 4678 is identical to Senate Bill 389, as introduced by Senator Basham.

(Under Section 805(5), these fees would be adjusted by the state treasurer at the end of each calendar year, beginning with 2011, to reflect the cumulative percentage change in the most comprehensive consumer price index available for Michigan from the federal Bureau of Labor Statistics for the most recent one-year period for which data are available. These annual adjustments would be rounded to the nearest five cents.)

Declining payment of the fee. The recreation passport fee could be declined if the applicant adopts a statement declining to pay it because the applicant does not intend to use the motor vehicle to enter any state park or recreation area, state public boating access site, or state forest campground, or to provide access to any state forest nonmotorized trail or pathway during the registration period. Such a statement and a means by which applicants would adopt it (for example, by a checkmark or signature on the form) would have to be added to registration application forms.

Allocation of recreation passport fees. The Secretary of State would be required to allocate revenue from recreation passport fees as follows:

- One half of one percent of all fees collected (whether or not later refunded) would be retained by the Secretary of State to defray its administrative costs.
- The balance of revenue would have to transferred at least weekly to the Department of Natural Resources (DNR) for deposit as provided in Section 2045 of NREPA (under House Bill 4577).

Effective date. The bill would take effect January 1, 2010.

Tie-bar. House Bill 4678 is tie-barred to Senate Bill 389 or House Bill 4677, meaning unless one of those bills is enacted into law, House 4677 could not take effect.

MCL 257.805

**House Bill 4677** would amend several parts of the Natural Resources and Environmental Protection Act: Part 19 (Natural Resources Trust Fund), Part 20 (Michigan Conservation and Recreation Legacy Fund), Part 741 (State Parks System), Part 781 (State Waterways Commission), and Part 831 (State Forest Recreation). As introduced, House Bill 4677 is identical to Senate Bill 388, as introduced by Senator Birkholz. The bracketed section numbers following headings in this summary refer to bill section numbers.

Local Public Recreation Facilities Fund. [§1911] This section would create a Local Public Recreation Facilities Fund within the state treasury that could accept money or assets from any source and would be administered by the DNR for auditing purposes. The state treasurer would invest the fund and credit it with its investment interest and earnings. At the end of a state fiscal year, money would remain in the fund, rather than lapse to the general fund. The DNR could expend money from this fund, upon appropriation, only for grants to local units of government for the development of public recreation facilities under the procedures provided in Section 1907. (Section 1907 of NREPA (MCL 324.1907) describes the procedures, including legislative approval, by which the Michigan Natural Trust Fund board acquires and develops land for public recreation purposes.)

Forest Recreation Account. [§2005] Existing Section 2005 established the Forest Recreation Account within the Legacy Fund. Currently, money in this account may be expended, upon appropriation, (1) only as provided in Part 831 (State Forest Recreation), and (2) for administration of the account, including grants to colleges and universities to implement programs funded by the account. The bill would allow money in this account to be expended, upon appropriation, as provided in Section 2045, described below, and Part 831 (State Forest Recreation), as well as for administrative purposes and for college and university grants as is currently allowed.

State Park Improvement Account. [§2030] This section established the State Park Improvement Account as an account within the Legacy Fund. Currently, money in this account may be expended, upon appropriation, (1) only as provided in Part 741 (State Parks System), and (2) for administration of the account, including grants to state colleges and universities to implement programs funded by the account. The bill would allow money in this account to be expended, upon appropriation, as provided in both Section 2045, described below, and Part 741 (State Parks System), as well as for administrative purposes and for college and university grants as is currently allowed.

Waterways Account. [§2035] This section established the Waterways Account as an account within the Legacy Fund. Currently, money in this account may be expended, upon appropriation, (1) only as provided in Parts 781 (Michigan State Waterways Commission), 891 (Harbor Development), and 801 (Marine Safety) and for administration of the account, which may include payments in lieu of taxes on state-owned lands purchased through this account or the former Michigan State Waterways Fund. The bill would also authorize money in this account to spent as provided in

Section 2045, described below, in addition to the current programs and administrative expenses for which the money may be used.

Section 2045. [§2045] The DNR would have to distribute state park, boating access site, and forest recreation passport fee revenue, transferred to the DNR under Section 805 of the Michigan Vehicle Code, MCL 257.805 (to be created by House Bill 4578) as follows:

- **State Park Improvement Account** — The first \$10.7 million (subject to an annual adjustment as described below) received each fiscal year from the recreation passport fee revenue.
- **Waterways Account** — The next \$1.03 million (subject to an annual adjustment for inflation) of this revenue.
- **State Park Improvement Account** — A total of 83 percent of the remaining revenue for use as follows:
  - 50 percent for capital improvements at state parks and recreation areas.
  - 30 percent for operations and maintenance of state parks and recreation areas
  - 3 percent for operations, maintenance, and capital improvements of state park cultural and historic resources.
- **Local Public Recreation Facilities Fund** — 10 percent of remaining revenue to be used for development of local public recreation facilities,
- **Forest Recreation Account** — 7 percent of remaining revenue to be used for state forest campground and state forest nonmotorized trail and pathway system operations and capital improvements.

As noted above, the state treasurer would have to adjust the specific amounts going to the State Park Improvement Account (\$10.7 million) and Waterways Account (\$1.03 million) at the end of each calendar year to reflect the cumulative percentage change in the comprehensive consumer price index available for Michigan from the federal Bureau of Labor Statistics for the most recent one-year period for which data are available. This would likely lead to annual increase in these amounts, unless the state experiences consumer price deflation.

Part 741 (State Parks System). The bill would make a number of amendments to Part 741.

Definitions. [§74101] Under the bill, a "**nonresident motor vehicle**" would mean a motor vehicle (other than a commercial vehicle) that is not registered as a motor vehicle in Michigan. Correspondingly, a "**resident motor vehicle**" is one (other than a commercial vehicle) that is registered as a motor vehicle in Michigan. [The bill does not contain a definition of "commercial vehicle."]

Committee report identifying savings in state park programs. [§74102a(13)] By December 31, 2009, the Citizens Committee for Michigan State Parks would be required to submit a report containing identifying and recommending savings in state park and forest recreation programs to the standing committees and appropriations subcommittees of the Legislature with jurisdiction over issues pertaining to natural resources and the environment. The report would have to identify savings equivalent to at least 10 percent of the cumulative expenditures for state park program during the fiscal year ending

September 30, 2009. In developing its recommendations, the committee would have to consult with the DNR and interested parties, and consider at least all of the following: (1) increased preventive maintenance; (2) energy conservation and efficiency; (3) transferring functions relating to public boating access sites, state forest nonmotorized trails or pathways, state forest campgrounds, and other facilities between the forest, mineral, and fire management division and the parks and recreation division, or successors thereof, to more efficiently use personnel; and (4) contracting out major maintenance or renovation work to private parties.

Motor vehicle park permits for nonresident and commercial motor vehicles. [§74116] Under current Section 74116, any motor vehicle entering a designated state park or a designated portion of a state park needs a motor vehicle park permit for entry. Under the bill, only nonresident motor vehicles and commercial vehicles would need a motor vehicle park permit to enter these areas. The DNR would have to post appropriate signs. Except as described below, a nonresident or commercial motor vehicle could not enter these areas without a valid motor vehicle park permit affixed to the lower right-hand corner of the windshield. (An annual permit would have to be affixed permanently for that year.) The situations in which a nonresident or commercial motor vehicle would not need a park permit are: (1) while such a vehicle is being driven or parked within an established federal, state, or county highway within a state park; or (2) when the vehicle entering a park is one used in park operations or maintenance, an emergency motor vehicle, or a private motor vehicle being operated on official state business.

Waiver of permit requirements. [§74117(1)] Currently, the DNR may waive the park permit requirement for a department-sponsored event or in other circumstances as determined by the director or the director's designee. This would remain the case under the bill for the permits now required only of nonresident and commercial motor vehicles. Current language that says that the department may require park permits and collect park permit fees for entry into a state park or portion of a state park posted as required by Part 741 would be stricken.

Annual nonresident motor vehicle park permit fee. [§74117(2)] Currently, annual park permits under this subsection are issued to resident and nonresident motor vehicles, and they authorize the motor vehicle to enter any state park or recreation area during the calendar year of issuance. Current annual park permit fees for resident motor vehicles, in effect until January 1, 2010, are \$24 for a resident motor vehicle, generally; \$6 for a resident motor vehicle (owner aged 65 or older); and \$18 for resident motor vehicle (if owner has a food stamp card and personal identification at time of purchase). The current annual park permit fee --in effect until January 1, 2010-- for a nonresident motor vehicle is \$29.

Under the bill, annual permits under this subsection would be issued only to nonresident motor vehicles and would authorize the vehicle to which it is original attached to enter state parks during the calendar year of issuance. [Note: Although the bill would no longer give such vehicles express authority to enter state parks or recreation areas, under Section 74101 of Part 741, MCL 324.74101, the term "state park" means "a state park or state recreation area designated by the director," so the elimination of term "recreation area" in the bill would apparently not make any difference.] The nonresident fee would remain at the current level of \$29, but the sunset date of January 1, 2010 on this fee

would be removed. [All other annual permit fees for resident vehicles currently set forth in this subsection would be deleted.]

Daily nonresident or commercial motor vehicle park permit fees. [§74117(3)] Currently, the daily park permits authorized under this subsection apply to resident and nonresident motor vehicles, with the following fees in effect until January 1, 2010: \$6 for resident motor vehicles; \$8 for nonresident motor vehicles.

Under the bill, daily permits would be issued only to nonresident motor vehicles and commercial motor vehicles. The fee for daily permit for a nonresident motor vehicle would remain at the current level of \$8, but the sunset date of January 1, 2010 on this fee would be removed. The fee for a daily commercial motor vehicle park permit would be set at \$15.

Fee for second vehicle towed by nonresident recreational vehicle. [§74117(4)] Currently, a person with an annual motor vehicle permit for a recreational vehicle used as a stationary primary camping shelter, if legally parked in a state park campground and not moved for the duration of the camping stay, may obtain a duplicate motor vehicle park permit for a towed second motor vehicle, present at the time of entry, for a fee of \$6 for the duration of the camping stay. This section would remain in effect, with no change to the \$6 fee, but would apply only to towed second motor vehicles associated with nonresident recreational vehicles.

Additional permits; sales of permits. [§74117(6)] Currently, this subsection says that "this part," meaning Part 741 (State Parks System), applies only to the entry of motor vehicles into state parks and park permits and does not obviate the need for additional permits for special services or park privileges under law or DNR rules previously or subsequently adopted. This provision would be moved to a later subsection (§74117(9)) and reworded to say that Section 74117 and Section 74116 apply only to the entry of motor vehicles into state parks and the park permits under Part 741 and do not obviate the need for additional permits for special services or park privileges as may be required by law or DNR rules. In other words, a nonresident or commercial vehicle owner who has paid for an annual or daily motor vehicle park permit for entry into a state park may also have to pay additional fees for other special services or privileges.

The bill would retain a second existing provision contained in this subsection requiring that persons authorized to sell park permits furnish a surety bond in an amount acceptable to the department.

Commercial motor coaches; vans seating more than 12 passengers. Under current subsection 74117(7), commercial motor coaches or vans seating more than 12 passengers cannot obtain an annual park permit for entry into state parks. The current daily fee for these coaches and vans is \$15 per day, until January 1, 2010. This provision would be deleted.

Replacement annual permits. [§74117(7)] As is currently the case under subsection 74117(9) for annual park permits provided to persons with resident or nonresident vehicles, a person whose annual nonresident motor vehicle park permit is lost or destroyed could obtain a replacement motor vehicle park permit free of charge from the

DNR. The DNR may require the person requesting a replacement permit to supply sufficient evidence of the loss or destruction of the original permit.

General Fund support for state park operations. Current Section 74117(10) says that it is the intent of the Legislature that if the Countercyclical Budget and Economic Stabilization Fund (sometimes referred to as the "Rainy Day" fund) created in Section 351 of the Management and Budget Act, exceeds \$250 million at the close of a state fiscal year, then the amount of General Fund/General Purpose support for state parks operations for the following state fiscal year would equal at least 50 percent of the revenues generated by motor vehicle entrance fees under Section 74117. The bill would delete this subsection. [This fund has not exceeded \$250 million in recent years.]

Fees for use of a credit card. [§74117(8)] The bill would retain a current provision allowing the DNR to add a charge to the fees for reservations, motor vehicle park permits, or camping when a credit card is used for payment.

Resident motor vehicle. Section 74117(11) currently defines "resident motor vehicle" as "a vehicle that is registered as a motor vehicle in this state." The bill would delete this subsection. Note, however, that the bill would insert definitions of "resident motor vehicle" and "nonresident motor vehicle" into Section 74101, as described above.

Violations of Part 741 or its rules. [§74122] Subsections 74122(1) and (2) currently provide that a person who violates Part 741 or its rules is guilty of a misdemeanor, and that persons convicted of acts of vandalism must also reimburse the DNR up to three times the amount of the damage, as determined by the court, to be credited to the State Park Improvement Account. These provisions would be retained.

Subsection 74122(1) also provides that in a case involving a motor vehicle found in a state park without a required permit, the motor vehicle's registration plate constitutes prima facie evidence that the vehicle's owner placed it where it was found. The bill would retain this presumption, but limit its application only to motor vehicles required to have a vehicle park permit under Section 74117, in other words, nonresident motor vehicles and commercial vehicles.

Fine for failure to purchase a nonresident or commercial motor vehicle park permit. [§74123] Current Section 74123 allows the DNR to establish the fine for failure to purchase a park permit at twice the cost of an annual or daily permit. Under the bill, this fine would only apply to failure to purchase a motor vehicle park permit required under Section 74117 (for nonresident motor vehicles and commercial motor vehicles) and would be set in the amount of twice the cost of an annual nonresident vehicle park permit.

Eliminate seasonal and daily public access site fees. [§78105] Section 78105 enumerates the DNR's various powers and duties under Part 781 (State Waterways Commission), including the power and duty to charge fees for seasonal and daily use of state-operated public access sites for deposit into the waterways account. The bill would eliminate the DNR's authority to charge fees for the use of state-operated public access sites.

State forest permits and fees. [§83106] In Section 831106, found in Part 831 (State Forest Recreation), the DNR may require a person to obtain a permit for camping in designated state forest campgrounds, and may establish and collect a fee for this type of permit. At least six months before increasing a camping permit fee, the DNR must provide written notice of intent to do so to the legislative standing committees with primary jurisdiction over legislation concerning natural resources and the environment. In addition, the DNR may require a permit, except as otherwise provided by law, for the use of lands and facilities within the state forest designated by the DNR for recreation use. Money collected under this section goes to the forest recreation account.

The bill would amend this section to prohibit the DNR from requiring a permit or payment of a fee for use of a state forest nonmotorized trail or pathway or state forest campground facility, (1) "except as provided in subsection (1)," presumably referring to providing six months' written notice of intent to appropriate legislative standing committees, or (2) "otherwise provided in this act."

Repealers. The bill would repeal Sections 1909 and 1910 of NREPA (MCL 324.1909 and 324.1910). Section 1909 directed the state treasury to transfer, on October 1, 1985, certain funds into the Game and Fish Protection Fund and other funds into the Natural Resources Trust Fund established in the state constitution. Section 1910 required writings and documents relating to the State Recreational Land Acquisition Trust Fund and the Heritage Trust Fund to be transferred to the board of the Natural Resources Trust Fund on October 1, 1985.

Effective date. The bill would take effect on January 1, 2010.

Tie-bar. House Bill 4677 is tie-barred to Senate Bill 388 or House Bill 4678, meaning that unless one of those bills is enacted into law, House 4677 would not take effect.

MCL 324.1911 et al.

## **FISCAL IMPACT:**

A fiscal analysis is in process.

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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.