

Legislative Analysis



FREE SNOWMOBILE WEEKEND

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4205 as reported from committee
Sponsor: Rep. Steven Johnson

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4206 as reported from committee
Sponsor: Rep. John R. Roth

Committee: Natural Resources and Outdoor Recreation
Complete to 6-29-21

BRIEF SUMMARY: House Bills 4205 and 4206 would amend Part 821 (Snowmobiles) of the Natural Resources and Environmental Protection Act (NREPA) to require the Department of Natural Resources (DNR) to allow one weekend during the snowmobile season for individuals to operate a snowmobile on a snowmobile trail without registration or a trail permit sticker.

FISCAL IMPACT: House Bill 4205 would have an indeterminate, but likely minimal, fiscal impact on the Department of State, while House Bill 4206 would be likely to reduce revenue for the Department of Natural Resources by exempting snowmobilers from the trail permit requirement for one weekend per snowmobile season. (See **Fiscal Information**, below, for more information.)

THE APPARENT PROBLEM:

Michigan's northern cities and towns rely on revenue resulting from snowmobiling tourism during the cold winter months. Although efforts are made to advertise the vast and wonderful trails accessible in Michigan,¹ according to committee testimony, there are still around 40,000 registered snowmobiles in Michigan that do not purchase trail permits. Legislation has been offered to provide a new way to expose new and current snowmobilers to the trails that Michigan has to offer.

THE CONTENT OF THE BILLS:

NREPA currently requires snowmobiles to be registered when in operation on public lands. (Registration is not required for operation on lands owned or under the control of the snowmobile owner or for training purposes.) A snowmobile trail permit sticker is also required.

House Bill 4205 would provide that, before the start of each snowmobile season, the DNR must designate one weekend in that season during which *registration* is not required to operate a snowmobile on snowmobile trails.

MCL 324.82103

House Bill 4206 would provide that, before the start of each snowmobile season, the DNR must designate one weekend in that season during which a *trail permit* is not required.

MCL 324.82118

¹ <https://www.michigan.org/snowmobiling>

BACKGROUND INFORMATION:

The DNR currently designates two weekends per year to allow fishing without a license, entry into a state park or boating access site without a Recreation Passport, and operation of an off-road vehicle without a license or trail permit.²

FISCAL INFORMATION:

House Bill 4205 would have an indeterminate but likely minimal fiscal impact on the Department of State. Any possible reduction in snowmobile registrations could reduce revenue to the Department of State from its \$3 per transaction share of snowmobile registration fees. Its share of registration fees support secretary of state registration administration and services. However, any increased interest among the public in snowmobiling could potentially lead to a subsequent offsetting increase in snowmobile registrations and fee revenue as well as snowmobile record lookup fees, which are deposited into the Transportation Administration Collection Fund. That fund supports the secretary of state's online and branch office vehicle and driver services.

The Department of State collected \$1,929,400 from snowmobile registrations in Fiscal Year 2019-20 and \$1,990,600 in FY 2018-19. Registration revenue is distributed to the Department of State and the Department of Natural Resources.

House Bill 4206 is likely to reduce revenue for the Department of Natural Resources by exempting snowmobilers from the trail permit requirement for one weekend per snowmobile season. The extent of this revenue loss would depend on the number of users that take advantage of this exemption who would otherwise be subject to the trail permit requirement. Revenue generated by the sale of permits is credited to the Snowmobile Trail Improvement Fund, which received \$9.5 million in FY 2019-20 revenue. This fund primarily supports DNR's Snowmobile Local Grants Program, which provides grants to local units of government and snowmobile clubs to expand and maintain the state's snowmobile trail system. This program has been appropriated at \$8.1 million annually for the past five years.

The bill is unlikely to directly affect departmental costs, local government costs, or local government revenues. The bill could indirectly affect local government revenues by diminishing availability of the aforementioned grant resources if trail permit exemption leads to significant DNR revenue loss over time.

ARGUMENTS:

For:

Tourism is a vital piece of the economy, especially for Northern Michigan during the winter months. Proponents argued that the bills will encourage snowmobilers to explore the many miles of trails that Michigan has to offer, and that many who take advantage of the free weekend will purchase a registration or trail permit and return. Michigan's current "free weekends" for fishing without a license, entry into a state park or boating access site without a

² [https://www.michigan.gov/dnr/0,4570,7-350-79119_79148_80650-487855--,00.html#:~:text=%22Three%20Free%22%20Weekend%20\(June%2012%2D13\)&text=Don't%20miss%20%22Three%20Free,sites%20%2D%20all%20free%20of%20charge.](https://www.michigan.gov/dnr/0,4570,7-350-79119_79148_80650-487855--,00.html#:~:text=%22Three%20Free%22%20Weekend%20(June%2012%2D13)&text=Don't%20miss%20%22Three%20Free,sites%20%2D%20all%20free%20of%20charge.)

Recreation Passport, and operation of an off-road vehicle without a license or trail permit have helped expose individuals to Michigan's great fishing opportunities, state parks, and ORV trails. Even though individuals are not required to purchase permits or licenses, the increased activity from these weekends garners additional tourism revenue for local communities. These bills would follow those current practices in exposing individuals to Michigan's many great snowmobile trails and thus garnering additional recreation and tourism revenue.

Against:

No arguments against the bills were presented during committee testimony.

POSITIONS:

Representatives of the following entities testified in support of the bills (6-24-21):

- Department of Natural Resources
- Michigan Snowmobile and ORV Association

Legislative Analyst: Emily S. Smith
Fiscal Analysts: Michael Cnossen
Austin Scott

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