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BILL ANALYSIS



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Senate Bill 1057 (as introduced 1-13-10)
Sponsor: Senator Patricia L. Birkholz
Committee: Natural Resources and Environmental Affairs

Date Completed: 1-20-10

CONTENT

The bill would amend Part 741 (State Parks System) of the Natural Resources and Environmental Protection Act (NREPA) to do the following:

- Effective October 1, 2010, prohibit the operator of a resident motor vehicle from entering a State park without paying a proposed recreation passport fee.**
- Apply existing provisions regarding motor vehicle park permits and fees to nonresident vehicles and commercial motor vehicles (CMVs).**
- Eliminate provisions establishing park permit fees for resident motor vehicles, and eliminate the April 1, 2010, sunset on nonresident motor vehicle fees.**
- Prescribe a daily park permit fee of \$15 for CMVs.**
- Require the State Treasurer to adjust permit fees annually, to reflect changes in the consumer price index.**
- Prescribe a \$100 maximum civil fine for entering a State park without a required permit or recreation passport.**
- Authorize the Department of Natural Resources (DNR) to promulgate rules providing an alternative method for payment of the proposed recreation passport fee.**
- Eliminate the Citizens Committee for Michigan State Parks and transfer its duties to the Natural Resources Commission (NRC).**
- Require the NRC to make recommendations to the Legislature**

for savings in State park and forest recreation programs.
-- Specify legislative findings.

The bill is tie-barred to Senate Bill 389 and House Bills 4677 and 5752.

Senate Bill 389 (H-2) would amend the Michigan Vehicle Code effective October 1, 2010, to provide for a State park and State-operated public boating access site recreation passport that a Michigan resident could obtain by paying an additional fee when registering a motor vehicle. The fee would be \$5 for a motorcycle and \$10 for all other resident motor vehicles.

House Bill 4677 (H-3) would amend NREPA, effective October 1, 2010, to prohibit a resident motor vehicle operator from entering a State-operated public boating access site without paying the recreation passport fee, and establish a maximum \$100 civil fine for a violation.

House Bill 5752 would amend NREPA to prescribe the distribution of recreation passport fee revenue and create the Local Public Recreation Facilities Fund for grants to local units of government for the development of public recreation facilities.

Senate Bill 1057 is described below in further detail.

Legislative Findings

Part 741 includes various legislative findings. Effective October 1, 2010, the bill would add the following:

- "A holistic, integrated park system that reflects the unique value of both state and local parks is a goal of this state."
- "State and local park planners should work in concert for a coordinated Michigan park and recreation plan."

State Park Motor Vehicle Permits

Under Part 741, the DNR must designate the State parks in which a park permit is required for lawful entry by a motor vehicle. The bill instead provides that a motor vehicle park permit would be required for lawful entry into a State park by a nonresident motor vehicle or commercial motor vehicle. The bill would delete a provision allowing the Department to designate portions of State parks where a permit is not necessary. Currently, the DNR is required to post at parks signs stating that a motor vehicle park permit is required. The bill would refer to park permits required for entry by a nonresident motor vehicle or CMV.

("Resident motor vehicle" would mean a motor vehicle other than a CMV that is registered as a motor vehicle in Michigan. "Nonresident motor vehicle" would mean a motor vehicle other than a CMV that is not registered as a motor vehicle in Michigan.)

Part 741 prohibits a person from entering any State park or portion of a State park in which a permit is required without a valid permit affixed to the vehicle. Under the bill, this would apply to a person entering in a nonresident or commercial motor vehicle. The bill would require an annual motor vehicle park permit to be affixed permanently for that year.

Subject to exceptions described below, a person could not enter a State park in a resident motor vehicle without having paid the recreation passport fee.

Under Part 741, a motor vehicle park permit is not required for a motor vehicle while it is being driven or parked within an established Federal, State, or county highway within a State park, a motor vehicle used in the operation or maintenance of a State park, an emergency vehicle, or a State-owned or law enforcement or private motor vehicle being operated on official State business.

Under the bill, these exceptions would apply to nonresident and commercial motor vehicles that did not have an annual park permit, as well as resident motor vehicles for which a recreation passport fee had not been paid.

If the Secretary of State (SOS) issued registration tabs or stickers to indicate payment of the recreation passport fee (as provided in Senate Bill 389 (H-2)), the operator of a resident motor vehicle could not enter a State park unless the vehicle had a registration tab or sticker or temporary registration plate marked to show that the recreation passport fee had been paid.

These amendments would take effect on October 1, 2010.

Park Permit Fees

Part 741 allows the DNR to require park permits and collect park permit fees for entry into a State park or portion of a State park posted in the manner prescribed in Part 741. The DNR may waive the park permit requirement for Department-sponsored events or other circumstances as determined by the Director or his or her designee. The bill would retain this provision for nonresident vehicles and CMVs, and provide for the waiver of the recreation passport fee requirement for resident motor vehicles under these circumstances.

Currently, except as otherwise provided, an annual park permit must be issued and authorize the entry of the motor vehicle to which it is originally attached within any State park or recreation area during the calendar year for which it is issued. Under the bill, this provision would apply through September 30, 2010. Beginning October 1, 2010, this provision would apply to a nonresident motor vehicle. Additionally, the bill would delete the reference to a State recreation area.

Under Part 741, the fee for an annual resident motor vehicle park permit is \$24 until April 1, 2010. If the vehicle owner is at least 65 years old, the fee is \$6. If the vehicle owner has a food stamp card and personal identification at the time of purchase, the fee is \$18. Under the bill, these fees would apply until October 1, 2010.

The bill would retain the \$29 annual permit fee for the owner of a nonresident motor vehicle. An annual park permit could not be used for a CMV.

A daily permit authorizes a motor vehicle to enter a State park during the day for which it is issued. The current daily fees apply before April 1, 2010. The bill would delay the sunset on the \$6 daily fee for a resident motor vehicle until October 1, 2010. The bill would retain the \$8 daily fee for a nonresident motor vehicle and eliminate the sunset on this fee. In addition, effective October 1, 2010, the bill would establish a fee of \$15 for a daily CMV permit.

Under Part 741, if a person has obtained an annual nonresident motor vehicle park permit for a recreational vehicle to be used as a stationary primary camping shelter camped legally in and not moved from a State park campground during the period of the camping stay, he or she may obtain a duplicate permit for a towed second motor vehicle present at the time of entry for a fee of \$6, effective for the duration of the camping stay. Under the bill, this provision would apply to a nonresident motor vehicle beginning October 1, 2010.

The bill would require the State Treasurer, for each State fiscal year (FY), beginning with FY 2010-11, to adjust the amounts established for annual, daily, and duplicate nonresident vehicle permits by amount he or she determined to reflect the cumulative percentage change in the consumer price index for the most recent one-year period for which data were available and rounded to the nearest five cents.

Under Part 741, commercial motor coaches or vans with a capacity of more than 12 passengers are not eligible to enter a State park with an annual park permit. Until April 1, 2010, the daily fee for such a vehicle is \$15. The bill would delay the sunset until October 1, 2010.

Currently, if a person's annual park permit is lost or destroyed, the DNR must give him or her a replacement permit free of charge. The DNR may require the person to supply sufficient evidence of the loss or destruction of the original permit. Under the bill, beginning October 1, 2010, these provisions would apply to a nonresident motor vehicle permit.

Alternative Method: Recreation Passport Fee

The bill would authorize the DNR to promulgate rules providing a method for an individual to pay a recreation passport fee in addition to the method provided for in Senate Bill 389 (H-2). The amount of the fee required under this method could not exceed twice the amount of a passport fee submitted with a vehicle registration application. During 2010, however, the amount of the fee required under the additional method would have to equal the amount of the fee under Senate Bill 389 (H-2). A rule would have to provide for a method evidencing payment of the passport fee, such as by the issuance and display of a permit.

A rule promulgated under these provisions would not apply after April 1, 2014, unless, during at least FY 2010-11, FY 2011-12, or FY 2012-13, revenue from the recreation passport fee, minus appropriations to the SOS under Section 2045(1)(a), equaled or exceeded \$12,017,514.

(That section is proposed by House Bill 5752. It would require the DNR to distribute passport fee revenue for necessary expenses incurred by the SOS each fiscal year in administering and implementing the recreation passport. Appropriations could not exceed \$1.0 million in a State fiscal year.)

Penalties

Currently, a person who violates Part 741 or a rule promulgated under it is guilty of a misdemeanor. Under the bill, this provision would not apply to violations involving entry by a nonresident or commercial motor vehicle without a park permit; entry by a resident motor vehicle without payment of the recreation passport fee; or entry by a resident motor vehicle without a registration tab, sticker, or temporary registration plate marked to show that the passport fee had been paid. A person who committed any of those violations would be responsible for a State civil infraction and could be ordered to pay a civil fine of up to \$100. A person could not be cited for violating both the prohibition against entry without paying the passport fee and the prohibition against entry without a tab, sticker, or plate evidencing payment of the fee for the same incident.

Under Part 741, in any proceeding for a violation, if a motor vehicle is found parked in a State park without the required motor vehicle park permit affixed, the registration plate constitutes prima facie evidence that the owner was the person who parked or placed the vehicle at the location where it was found. Under the bill, this provision also would apply to a motor vehicle found parked in a State park without the recreation passport fee having been paid.

Currently, a person convicted of an act of vandalism under Part 741 must reimburse the DNR up to three times the amount of the damage as determined by the court, and the money must be credited to the State Park Improvement Account. The bill would refer to an act of vandalism to State park equipment, facilities, or resources.

These amendments would take effect on October 1, 2010.

Citizens Committee; NRC Report

Part 741 establishes the Citizens Committee for Michigan State Parks within the DNR and prescribes its membership. The Committee is required to do all of the following:

- Advise and make recommendations to the Governor, the NRC, and the Legislature on State parks policy and provide guidance on State parks development, management, and planning issues.
- Seek the development of a broad variety of programs, facilities, and services for Michigan citizens using the State parks.
- Inform and educate the public about the importance of and need for State parks.
- Strive to involve citizens in the planning and development of State parks and to ensure that the facilities, programs, and projects are barrier-free and accessible to all citizens.
- Establish and maintain effective public relations regarding State parks, using all appropriate communications media.
- Advise on financial planning and pursue adequate budget support for State parks.
- Serve as a liaison and coordinate with other agencies to ensure a cooperative effort to provide the most effective and economical services possible at State parks.
- Periodically evaluate and report to the standing committees of the Legislature

with jurisdiction over natural resources and environmental issues, on the State parks programs, facilities, services, and relationships to ensure that the Committee's goals and objectives are being achieved.

- Advise and make recommendations to the DNR on the Gem of the Parks Award, the State Parks Volunteer of the Year Award, and the State Parks Employee of the Year Award.
- Review and make recommendations to the DNR on whether land within a State park should be transferred as provided in Part 741.

The bill would eliminate references to the Citizens Committee and transfer its duties to the NRC. The bill also would delete provisions for the Committee's membership and meetings.

Under the bill, within 180 days after the bill took effect, the NRC would have to submit a report 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 contain recommendations for savings in State park and forest recreation programs. Savings in State park programs equivalent to at least 10% of the cumulative expenditures for those programs during FY 2008-09 would have to be identified. In developing recommendations, the NRC would have to consult with the DNR and interested parties. The NRC would have to consider at least all of the following:

- Increased preventative maintenance.
- Energy conservation and efficiency.
- Contracting concessions, major maintenance or renovation work, and other park operations to private parties.
- Sharing resources and coordinating activities with parks or public recreation facilities owned by local units of government.

DNR Report

Part 741 requires the DNR to report annually to the standing committees of the Legislature along with the appropriate budget subcommittees that primarily consider issues pertaining to natural resources. The report must detail the revenue stream generated by the State park permit fee structure. The report also must

include information on the impact of the revenue stream on the Michigan State Parks Endowment Fund, the use of the General Fund for funding the State park system, and other relevant issues that have an impact on funding needs for the system. Under the bill, these provisions would apply until October 1, 2010.

MCL 324.74101 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would require the State Treasurer annually to adjust nonresident park permit fees according to changes in the consumer price index (CPI). According to data from the U.S. Bureau of Labor Statistics, the CPI has grown at an average rate of about 2.9% annually in the last 20 years. Having the ability to adjust nonresident park permit fees would help the Department respond to rising operating costs. As an example, inflation of about 2.8% was experienced from fiscal year 2006-07 to fiscal year 2007-08. This would have resulted in an increase in the nonresident annual permit fee from \$29 (as it was in 2007, and is currently) to \$29.80, and would have generated additional revenue of about \$59,000. This authority would match that proposed in Senate Bill 389 (H-2), which would require the State Treasurer annually to adjust the park passport fee to account for changes in the CPI.

The bill would allow the DNR to promulgate a rule for the sale of park passports by the Department after vehicles were registered. This would allow residents to forgo the purchase of a passport when their vehicle's registration was being renewed, but to buy one at a later date if the need arose. To give residents an incentive to opt in to the passport program upon registration, the bill would authorize the Department to charge up to two times the normal price for a passport (\$20, as the normal price would be \$10). It is not possible to determine how many residents would participate in the program in this manner. As part of this authorization, the bill also would provide for a transition between the current motor vehicle permit program and the park passport program, allowing passports to be purchased outside of the vehicle registration process for the normal price during calendar year 2010.

After April 1, 2014, the authorizations described in the previous paragraph would no longer apply, unless in fiscal year 2010-11, 2011-12, or 2012-13, revenue from the passport program, minus appropriations to the Secretary of State, exceeded \$12,017,514. Discontinuing the alternative method of selling passports would have a negative effect on revenue, as residents willing to pay the higher price for the passport outside of the vehicle registration process would no longer be able to do so, and would necessitate legislative action to ensure that the State park program remained well funded, and that park passports would be available to residents who wished to purchase them.

Under the bill, entering a State park or State-operated marina without a park passport or nonresident permit would be a civil infraction and violators could be ordered to pay a fine of not more than \$100. Pursuant to MCL 600.8831, this revenue would help fund public libraries in the State. It is unknown how much revenue would be realized as a result of these fines.

The bill would abolish the Citizens Committee for Michigan State Parks and transfer its duties to the Natural Resources Commission. The Committee members serve without compensation, but are reimbursed for necessary expenses incurred while serving. Some small savings would be realized as these expenses would no longer be reimbursed.

The bill also would require the NRC to prepare and submit a report containing recommendations for savings measures in State park programs. The measures suggested would have to be 10% of the expenditures for State park programs in fiscal year 2008-09. Using the appropriation for State parks in 2009 as an estimate, the savings would need to be in the neighborhood of \$4.5 million. If these measures could be identified and brought to fruition by the Department, they could result in substantial savings.

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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.