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House Bill 4681 as enrolled
Second Analysis (8-29-89)

SEP 21 1989

Sponsor: Rep. Bob Emerson Mich. State Law Library
First House Committee: Conservation, Recreation, and
Environment
Second House Committee: Appropriations
Senate Committee: Appropriations

THE APPARENT PROBLEM:

Michigan's system of state parks is among the best in the nation, and the importance of the parks to Michigan's citizens was emphasized last November when voters approved a \$140 million recreational bond issue that allocated \$70 million to construction, expansion, and development of facilities at state parks and other state recreational facilities. The anticipated influx of funding for capital outlay, however, is highlighting longstanding problems with funding for maintenance and operation of state parks. That funding relies significantly on income from the motor vehicle fees charged to enter the parks. Those fees have not been increased since 1980, and have for years been widely acknowledged to be woefully inadequate to meet needs and an extraordinary bargain for those who use Michigan state parks. This was among the issues recently studied by a special legislative committee formed to study state parks. That committee recommended that park entry fees be increased.

THE CONTENT OF THE BILL:

The bill would amend Public Act 149 of 1960 to increase state park entry fees and the amount of each fee allotted for park maintenance, to create special fee provisions for commercial motor coaches and vans, and to authorize surcharges for the use of a credit card. The increase in revenue under the bill could not be used to reduce the state general fund/general purpose support for park operations. If that support fell below the Fiscal Year 1988-89 level, the bill would be repealed.

The fee for an annual permit would be raised from the current \$10 to \$15 in 1990 through 1992, then to \$18 in 1993 and 1994, and finally to \$20 for 1995 and thereafter. The price of a senior citizen annual permit would increase from \$1 to one-quarter of the amount of an annual permit.

Maximum allowable fees for daily permits would increase as follows: from \$2 to \$4 for resident motor vehicles, from \$3 to \$6 for nonresident motor vehicles, and from \$2 to \$4 for the special nonresident fee authorized for parks that do not receive extremely heavy day use by nonresidents.

At present, the law earmarks \$5 of each annual permit and \$1 of each daily permit for park operation and maintenance. Under the bill, these allotments would be at least \$10 and at least \$2, respectively. The remainder would continue to go to park improvement, special maintenance, and debt retirement for outstanding revenue bonds authorized in 1960; however, the bill would delete "land acquisition" from the list of things on which fee revenue may be spent.

Commercial motor coaches and vans would not be allowed to enter a state park with an annual permit. The natural resources commission could establish a daily fee of up to

\$15 for commercial motor coaches or vans with a capacity of more than 12 passengers.

The Department of Natural Resources could add to the cost of a reservation, entry fee, or camping fee the charges the state incurred because of the use of a credit card.

MCL 318.303 and 318.310

FISCAL IMPLICATIONS:

The House Fiscal Agency estimates that in 1990 the bill would generate an additional \$2.9 million for state park operations and an additional \$1.2 million for capital outlay and special maintenance. Anticipated current year revenues from entrance fees are about \$2.8 million each for operations and capital outlay. (7-19-89)

ARGUMENTS:

For:

Any regular visitor to Michigan state parks will have noticed the economies that the system has undergone in recent years. Staffing is down, toilet facilities are sometimes out of repair, stairways are deteriorating. Michigan's state parks obtain about one-fifth of their operating funds from user fees, and inflation and escalating costs require that the legislature increase fees periodically simply to maintain programs. However, since 1980 the legislature has refrained from increasing the fees for state park motor vehicle permits. If the parks are to be maintained as they should be, particularly if new development is undertaken, then user fees must keep pace with inflation and contribute their fair share to operating costs. The present fee of \$10 for an annual permit, for example, is ridiculously low; one study put the per-visit cost of an annual permit at 59 cents for campers and 69 cents for day users. The bill proposes a modest and gradual increase in the fees paid for entry into state parks, and offers a long-term guarantee of an important source of funding for maintenance and operations.

For:

Heavy use is generated by travelers arriving in large buses and vans that may at present enter a park for the same fee charged other vehicles. The bill would provide for special fees to be charged these vehicles.

Against:

With the passage of last fall's bond proposal, millions of dollars will be available for construction and capital outlay. Rather than continue to earmark a portion of entry fees for capital outlay, the bill would do better to devote all of the fee revenue (except that needed for debt retirement) to maintenance and operations.

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Response: The bond issue would provide only a temporary influx of much-needed capital. There are and would continue to be capital outlay projects for which fee revenues are needed. It is sufficient that the bill would bar the use of fee revenue for land acquisition.

Against:

The bill would impose an undue hardship on senior citizens, many of whom must manage on fixed incomes and severely limited budgets.

Response: The current \$1 fee for a senior citizen permit is unreasonably low. The bill would ensure that the fee would remain a modest one that kept state parks accessible to persons with low incomes.