

Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4409 (Substitute H-2 as passed by the House)
House Bill 4538 (as passed by the House)
Sponsor: Representative David Mead
House Committee: Conservation and Outdoor Recreation
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 5-15-01

CONTENT

The bills would amend Part 821 (Snowmobiles) of the Natural Resources and Environmental Protection Act to do all of the following:

- **Increase snowmobile trail permit fees.**
- **Revise the requirements for the allocation of revenue generated from that fee.**
- **Require the Department of Natural Resources (DNR) to make permit sales available on its website.**
- **Increase the fine for operating a snowmobile without a permit.**
- **Require the DNR to report to legislative committees regarding additional funds generated under the bills.**

The bills are tie-barred.

House Bill 4409 (H-2)

Fee

The Act requires the purchase and display of a Michigan snowmobile trail permit sticker in order to operate a snowmobile in this State. Currently, the fee for the permit is \$10 and revenue is allocated as follows: 50 cents of the fee is retained by the DNR for administrative costs; 50 cents is retained by the agent who sells the permit; and \$9 is credited to the Recreational Snowmobile Trail Improvement Fund.

Under the bill, the fee would increase and the revenues would be allocated as shown in Table 1.

Table 1

Date	Fee	Allocation
Until 6/30/01	\$10	\$9 to Fund; 50 cents to DNR; 50 cents to Agent
6/30/01 - 6/30/04	\$20	\$18.75 to Fund; 50 cents to DNR; 75 cents to Agent
Beginning 7/1/04	\$25	\$23.50 to Fund; 50 cents to DNR; \$1 to Agent

In addition, the bill would require that, beginning October 1, 2001, the

DNR make the sale of trail permits available on its website. For each permit sold through the website, the amount that otherwise would be credited toward the agent instead would have to be credited to the Fund.

Penalties

Currently, a person who fails to secure a trail permit or who fails permanently to affix the trail permit sticker on the snowmobile as specified under the Act, is responsible for a State civil infraction and may be ordered to pay a civil fine of up to \$50. The bill would increase the fine to \$100.

Expenditure Plan

The bill would require that, by June 1 of each year, the DNR report to the members of the appropriate standing committees of the Senate and House of Representatives a detailed expenditure plan pertaining to the additional funds generated by the bill. The plan would have to include information as to how funds were spent in the previous year.

House Bill 4538

Currently, the Act provides that the following fees must be deposited in the Recreational Snowmobile Trail Improvement Fund: \$5 of each snowmobile registration fee, \$9 of each trail permit fee, and not less than 80% of the revenue from replacement registration fees or dealer registration fees (for testing or demonstration of snowmobiles). The bill specifies that a portion of each trail permit fee as proposed by House Bill 4409 (H-2), rather than \$9, would have to be deposited in the Fund.

MCL 324.82118 (H.B. 4409)
324.82110 (H.B. 4538)

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bills would result in an annual increase in revenue to the Recreational Snowmobile Trail Improvement Fund of between \$2.1 million and \$2.5 million, beginning July 1, 2001. Beginning July 1, 2004, revenue to the Fund would increase by an additional \$1.0 million to \$1.2 million. The increase in civil fines included in the bills would result in an indeterminate increase in revenue to libraries.

The bills also would result in an indeterminate increase in DNR administrative costs. Since the bills would not provide for an increase in revenue to the DNR, the increased costs would have to be covered by existing resources.

Fiscal Analyst: P. Graham

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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.