

Fiscal Analysis

STATE PARK MOTOR VEHICLE PERMIT FEES



Bill/Sponsor SENATE BILL 537, S-4, Sen. Liz Brater

House Committee Appropriations

Summary

Annual and daily motor vehicle permits (MVP) for Michigan State Park users would be increased. The annual permit for Michigan residents would increase by \$4 from \$20 to \$24 per vehicle. Senior annual permits would increase by \$1 to \$6. Daily motor vehicle permits would increase by \$2 from \$4 to \$6. Daily permits for vehicles registered in other states would be \$8; a \$2 increase.

All state park motor vehicle permit fees would end on December 31, 2006. Intent language is included which would provide GF/GP funding for the state park system in FY2006-07. The General Fund appropriation would be set at 50% of the statewide MVP revenue level in FY 2005-06, or approximately \$6.0 million.

The bill would repeal Section 74109, the current law provision prohibiting the use of MVP revenue to reduce General Fund support for the State Park System. Without this repeal provision, the all motor vehicle permits would be eliminated, since the General Fund appropriation for State Parks is eliminated in the FY 2003-04.

Fiscal Impact

The following table illustrates the revenue impact of this bill.

Motor Vehicle Permit Increase - Estimate of Increase in FY 04 Revenue

| | <u>Current Fee</u> | <u>Proposed Increase</u> | <u>FY 02 Permits</u> | <u>Est FY 02 Revenue</u> | <u>If 9% Drop in Permits</u> | <u>Est FY 04 Revenue</u> | <u>Estimated Revenue Increase</u> |
|--------------------------|------------------------|------------------------------|--------------------------|------------------------------|----------------------------------|------------------------------|---|
| Annual MVP | 20.00 | 4.00 | 326,644 | \$6,532,880 | 297,246 | 7,133,905 | 601,025 |
| Senior Annual MVP | 5.00 | 1.00 | 52,150 | \$260,750 | 47,457 | 284,739 | 23,989 |
| Daily MVP | 4.00 | 2.00 | 896,178 | \$3,584,712 | 815,522 | 4,893,132 | 1,308,420 |
| Non Res Daily MVP | 5.00 | 2.00 | 59,257 | <u>\$296,285</u> | 53,924 | <u>431,391</u> | <u>135,106</u> |
| Total | | | | \$10,674,627 | | \$12,743,167 | \$2,068,540 |

The Executive Budget Recommendation for FY2003-04 includes a \$2,547,000 General Fund savings through this proposal.

Analyst(s)

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