

Legislative Analysis



CAMPGROUND PROGRAM FEES

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House Bill 4703 (Proposed Substitute H-5, Draft 1)

Sponsor: Rep. Gretchen Whitmer

Committee: Health Policy (Discharged)

First Analysis (9-29-04)

BRIEF SUMMARY: The bill would replace general fund money used to support a program that licenses and inspects campgrounds and public swimming pools with a fee imposed on the owners of the facilities.

FISCAL IMPACT: Revenue generated through this legislation would make it possible to replace the current General Fund appropriation of \$160,900 with restricted funds. Private and state owned campgrounds and swimming pools would be subjected to an annual and temporary license fee. Fees would be established on a sliding scale and based on the number of campsites and the size of swimming pools. Annual revenue is expected to be nearly \$170,000. Of this amount, \$29,500 would be provided to affected local health departments to help defray the cost of inspections and monitoring activities.

THE APPARENT PROBLEM:

For decades, the state has administered a program that inspects and licenses (and issues construction permits for) public campgrounds and swimming pools. During this time, the state has not sought reimbursement for its services. With the continuing budget shortfalls, however, the state is no longer able to continue to cover its administrative costs associated with implementing the programs for campgrounds and swimming pools. The 2004-2005 fiscal year appropriations bill for the Department of Environmental Quality (DEQ) eliminated the \$160,000 typically earmarked to administer the programs.

These programs are seen as essential to ensure the health and safety of residents and tourists alike. Having the DEQ administer the programs also provides uniformity and consistency in applying rules and statutes. Eliminating the programs due to lack of funding would thrust sole responsibility for inspections and licensing onto the shoulders of local governments – many of which are also experiencing serious revenue shortfalls needed to fund local services and programs. It has been suggested, therefore, that legislation be offered to create a fee structure to replace the funds eliminated from the DEQ budget.

THE CONTENT OF THE BILL:

The bill would amend the Public Health Code (MCL 333.12501) to do the following:

- Create a new fee structure for construction permits and licensing fees for campgrounds and public swimming pools.

- Require state-owned or -operated campgrounds to obtain construction permits and pay license fees.
- Require local governmental units that own or operate campgrounds to pay a campground license fee.
- Require applicants for a campground license to send the application and fee directly to the Department of Environmental Quality (DEQ). A payment of \$25 (the same amount that is currently remitted) will be made by the department to a local health department that conducts an annual inspection of a campground for an initial, renewal, or temporary license.
- Revise the provision regarding appealing a campground license revocation.
- Prohibit a revoked campground license from being reinstated until the violations are corrected.
- Revise the membership of the campground advisory board as detailed in the bill.
- Change the one year campground and public swimming pool license to a three-year license, as long as the annual license fee is paid. (The license would be good for a three-year period as long as the owner of the campground or pool remitted the renewal fee on an annual basis.)
- Allow the DEQ to adjust the fees for inflation every three years.
- Create a campground fund and public swimming pool fund; monies from the fund could only be expended to implement the campground and public swimming pool programs as prescribed in the bill. Money in either fund could not be used for inspections of mobile home parks.
- Require an annual report that provides an accounting of fund revenues and expenditures to be provided to the Senate and House of Representatives appropriation committees, the standing committees of both houses with jurisdiction over natural resources and environmental issues, and the Senate and House of Representatives fiscal agencies.
- Allow designated local health departments to collect reasonable additional fees from the owner of a campground or public swimming pool for services performed under the campground and public swimming pool programs.
- Include waterparks and certain ponds in the definition of “public swimming pool” and exclude from the definition a pool serving not more than four hotel, apartment, condominium, or similar units (currently, only small motels are excluded).

- Exclude owners with a valid, current permit to operate a public swimming pool on the bill's effective date from paying the initial license fee.
- Retain the current payment level made to local health departments by the DEQ for collection of initial and annual renewal public swimming pool license fees but eliminate reimbursement for an initial license fee for each additional pool of the same design, at the same location, and constructed at the same time.

Proposed fees related to campground regulation.

Construction permit fee for a new campground	\$600
Construction permit fee for an addition, alteration, or modification of an existing campground	\$225

Initial or annual renewal license fee for a new or temporary campground

1-25 sites	\$75
26-50 sites	\$100
51-75 sites	\$125
76-100 sites	\$150
101-500 sites	\$225
More than 500 sites	\$500
Late annual renewal license fee, after December 31	\$100
License transfer fee	\$75

Proposed fees related to swimming pool regulation.

Construction permit fee for a surface area as follows:

500 square feet or less	\$550
501 to 1,000 square feet	\$700
1,501 to 2,400 square feet	\$800
2,401 to 4,000 square feet	\$1,300
More than 4,000 square feet	\$1,800
Construction permit fee for modification of an existing swimming pool	\$275

Initial license fee for a swimming pool with a surface area as follows:

500 square fee or less	\$550
501 to 1,000 square feet	\$600
1,001 to 1,500 square feet	\$625
1,501 to 2,000 square feet	\$650
2,001 to 2,500 square feet	\$700
2,501 to 3,500 square feet	\$800

3,501 to 4,500 square feet	\$900
More than 4,500 square feet	\$1,000
Initial license fee for a modified swimming pool	\$275

Renewal and replacement license fees

Annual renewal license fee, to Dec. 31	\$55
Late annual renewal license fee, after Dec. 31 through April 30	\$100
Lapsed annual renewal license fee, after April 30	\$150
Replacement license fee for transfer to another person	\$50

ARGUMENTS:

For:

The campground and swimming pools programs operated by the Department of Environmental Quality (DEQ) are necessary to ensure the health and safety of residents and tourists alike. Under the programs, the DEQ and local health departments inspect plans for new construction and modifications of campgrounds and public pools. They also check the purity of the drinking water and proper functioning of waste water disposal at campgrounds. Making sure pool waters are cleaned and maintained properly protects swimmers from many health dangers, including drowning in water that lacks clarity and bacteria-borne illnesses such as E. Coli.

The bill is needed because the money that funds these programs comes from the general fund, but due to revenue shortfalls for the next fiscal year, this appropriation is being eliminated from DEQ's budget. The bill would therefore replace the general fund money with revenues derived from a new fee structure for construction permit fees and annual licenses for public pools and campgrounds. The fees are fairly apportioned based on the surface area of a pool or the number of sites at a campground. An important component of the bill is that the fees would be indexed for inflation. In this way, the fees would increase every three years rather than the statute needing to be amended on a regular basis.

Also, for the first time, city or county owned and operated campgrounds would have to pay the license fee and state park and forest campgrounds would be licensed and inspected. Currently, drinking water in state campgrounds and forests is not tested by the DEQ or county health departments, nor are bathroom facilities checked for proper sanitation disposal. Overall, the bill would increase public safety by extending regulation to state park and forest campgrounds.

Response:

Some believe that including state-owned campgrounds in the program will result in a cost-shift (shifting costs incurred by the DEQ to license and inspect the campgrounds to

the DNR) and so would increase costs to the state. Therefore, some groups appear agreeable to delaying this provision for one year to give time for the state to increase entrance fees to fund the program inclusion.

Against:

Some still have a concern that the campground license fees favor the larger campgrounds over the small “mom and pop” campgrounds. Also, if the Department of Natural Resources fails to pay the licensing and construction fees for its campgrounds, the DEQ would still fall short about \$25,000 of the funds needed to operate these programs. Lastly, some feel that further tweaking needs to be done regarding membership on the Campground Advisory Board to better represent interested parties without being overly cumbersome.

POSITIONS:

There are no positions on the proposed substitute at present.

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