

# Legislative Analysis

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## **SPECIAL WATERCRAFT DECALS TO FUND AQUATIC SPECIES EFFORTS**

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**House Bill 4914 as enrolled**  
**Public Act 294 of 2003**  
**Sponsor: Rep. David Palsrok**

**Senate Bill 535 as enrolled**  
**Public Act 292 of 2003**  
**Sponsor: Sen. Patricia L. Birkholz**

**Senate Bill 536 as enrolled**  
**Public Act 293 of 2003**  
**Sponsor: Sen. Jason Allen**  
**House Committee: Great Lakes and Tourism**  
**Senate Committee: Natural Resources and Environmental Affairs**

### **Second Analysis (12-22-04)**

**BRIEF SUMMARY:** The bills would amend the Natural Resources and Environmental Protection Act (NREPA) to create a Great Lakes Protection Specialty Watercraft Decal program, with a portion of the revenue to be deposited in the Michigan Great Lakes Protection Fund to be used for research on aquatic nuisance species, public education about the threat of aquatic nuisance species, and for efforts to eradicate those aquatic species from the Great Lakes and other waters of the state.

**FISCAL IMPACT:** The bills would have an indeterminate impact on state government revenue to the Great Lakes Protection Fund. As many as 300,000 decals could be sold each year. There would be no fiscal impact on local government.

### **THE APPARENT PROBLEM:**

The Great Lakes Protection Fund is described as a private, nonprofit corporation created by the governors of the Great Lakes states. According to information from the fund, it was intended to be “a permanent source of financial support for innovative regional efforts to protect and restore the health of the Great Lakes ecosystem.” Contributions from seven Great Lakes states created the endowment (Indiana does not participate), which is invested to produce income, with two-thirds of the net income devoted to regional projects and one-third distributed to the states for their particular Great Lakes priority projects. In Michigan, which was the largest contributor to the endowment, the dollars from the regional fund flow into the Michigan Great Lakes Protection Fund. This fund is administered by the Office of the Great Lakes within the Department of Environmental Quality, with the assistance of an eight-member technical advisory board made up of individuals from academia, research, industry, public health, and environmental organizations. According to the DEQ, “the types of funded research have

ranged from the effects of contaminated fish consumption on mink reproduction to identification of sources of atmospheric pollution to the Great Lakes.”

However, distributions from the regional fund depend upon the fund’s earnings. Because of market conditions, the fund has not made a distribution since the spring of 2002. (Reportedly, the board meets each February to decide if distributions will be made.) As a result, proponents of Great Lakes protection projects are seeking supplementary forms of funding. One proposal is a voluntary decal to be sold alongside watercraft registration decals; this would allow boaters to contribute to the protection of Michigan’s valuable water resources. The proposal before the legislature would earmark these revenues for aquatic nuisance species projects.

Aquatic nuisance species are a major environmental concern. A handbook developed by the DEQ defines such species as “a waterborne, non-native organism that threatens the diversity or abundance of native species, the ecological stability of impacted waters, or threatens a commercial, agricultural, aquacultural or recreational activity.” The booklet goes on to say:

“These species have the potential to cause significant ecological problems because they have been introduced into a habitat in which there are no natural controls, such as pathogens, parasites, and predators. Lack of natural controls in a new habitat may allow a species to grow at or near its potential, exponential growth rate. If such species become established, they may disrupt species relationships in the new habitat. As a nuisance species proliferates, other species’ relationships change in the habitat. The introduced species may prey upon, outcompete, or cause disease in a native species.” The DEQ says harmful nonindigenous aquatic species, known as exotics, threaten the value of the region’s water resources and cause ecological, economic, societal, and public health ramifications.

### ***THE CONTENT OF THE BILL:***

The bills would amend the Natural Resources and Environmental Protection Act (NREPA) to create a Great Lakes Protection Specialty Watercraft Decal program, with a portion of the revenue to be deposited in the Michigan Great Lakes Protection Fund to be used for research on aquatic nuisance species, public education about the threat of aquatic nuisance species, and for efforts to eradicate those aquatic species from the Great Lakes and other waters of the state.

Under the bill, the secretary of state would be required to design and make available for purchase annual specialty watercraft decals depicting some aspect of the Great Lakes or Great Lakes’ water quality. The decals would be available for purchase when a person purchased a required watercraft decal (or a temporary permit) and at other times as determined by the secretary of state. The decal would be sold for \$35. Of that, \$10 would remain with the secretary of state for use in creating and distributing decals and \$25 would be forwarded to the state treasurer for deposit in the Great Lakes Protection Fund. The secretary of state could specify where the specialty decal was to be placed on

watercraft so that law enforcement officers would not confuse them with the required decals.

The secretary of state would have to discontinue sales of specialty decals if fewer than 2,000 were sold during the fiscal year ending September 30, 2005 or if fewer than 500 were sold in any fiscal year thereafter.

Senate Bills 535 and 536 require the creation of the decal program. House Bill 5914 addresses the distribution of decal revenue.

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### ***BACKGROUND INFORMATION:***

Information about aquatic nuisance species can be found on the website of the Department of Environmental Quality at [www.michigan.gov/deq](http://www.michigan.gov/deq). From there, click on water, and then on Great Lakes. For information on the regional Great Lakes Protection Fund, consult [www.glpf.org](http://www.glpf.org).

### ***ARGUMENTS:***

#### ***For:***

The National Wildlife Federation has said, in support of this bill, that “Aquatic nuisance species are a serious and growing threat to the health of the Great Lakes. Preventing and controlling aquatic nuisance species is a key component of protecting and restoring the Great Lakes. Further, aquatic nuisance species pose a serious risk to Michigan’s economy. When it comes to [this problem], an ounce of prevention is worth far more than a pound of cure.” The DEQ has noted that public education and research can minimize the impact of these species on biodiversity and commercial and sport fisheries. The bill offers boaters an opportunity to help fund state efforts to address this problem. Such voluntary funding could help offset reductions in money for regional and state programs that are due to the lack of adequate returns on investments by the endowment of the Great Lakes Protection Fund. The bill contains a provision so that the program would be discontinued if participation was low.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.