



Telephone: (517) 373-5383 Fax: (517) 373-1986 TDD: (517) 373-0543

Senate Bill 537 (Substitute S-4 as reported)

Sponsor: Senator Liz Brater Committee: Appropriations

CONTENT

The bill would amend the Natural Resources and Environmental Protection Act to do all of the following:

- -- Increase annual and daily motor vehicle permit fees to State parks, and sunset permit fees on January 1, 2007.
- -- Establish a separate annual permit fee for owners of nonresident motor vehicles.
- -- Repeal Section 74109 which provides for the repeal of previously enacted fee increases if General Fund support for State parks does not equal or exceed the amount appropriated in FY 1993-94.
- -- State legislative intent to appropriate General Fund dollars for State parks if the Budget Stabilization Fund has a balance over \$250 million.

Motor Vehicle Permit Fees

Currently, daily entrance permits are \$4 for resident motor vehicles and \$6 for nonresident motor vehicles. Daily permits for nonresident motor vehicles may be \$4 in parks where nonresident day use is not extremely high. Annual permits are \$20 for all motor vehicles. No differentiation is made between resident and nonresident motor vehicles for annual permits. The annual permit for a resident motor vehicle whose owner is 65 years of age or older is one quarter the amount of the annual permit. This means that senior citizens of this State pay \$5 for an annual motor vehicle permit. Revenue from motor vehicle permits is deposited into the Park Improvement Fund.

The bill would increase annual permit fees according to the table below. All motor vehicle permit fees would sunset on January 1, 2007. The sunset also would apply to the \$15 daily permit fee for commercial motor coaches with 12 or more passengers, although that fee would not be changed in the bill.

PROPOSED MOTOR VEHICLE PERMIT FEES (Substitute S-4)		
	Current Rate	Proposed Rate
Annual		
Resident	\$20	\$24
Nonresident	20	29
Senior Citizen	5	6
Daily		
Resident	4	6
Nonresident	6	8

Page 1 of 2 sb537/0304

General Fund Appropriation Minimum

The bill would repeal Section 74109 of the Natural Resources and Environmental Protection Act. This section specifies that the increased motor vehicle permit fee revenue resulting from Public Act 177 of 1989 may not be used to reduce General Fund support for State parks. It also states that Public Act 177 of 1989 is repealed if General Fund support for State park operations does not equal or exceed the amount appropriated in FY 1993-94, annually adjusted for inflation by the Detroit Consumer Price Index.

The bill would add a statement of legislative intent to appropriate General Fund dollars for State parks operations equal to at least 50% of the motor vehicle permit fee collections of the prior fiscal year if the Countercyclical Budget and Economic Stabilization Fund (BSF or "Rainy Day Fund") reaches a balance of at least \$250 million. The current balance of the BSF is less than \$50,000.

MCL 324.74109 et al.

FISCAL IMPACT

The Governor's recommended budget and the Senate Appropriations Committee budget for FY 2003-04 for State park operations would offset an \$8,596,900 reduction in General Fund support for State parks with restricted funds from two sources: \$6,000,000 from the State Parks Endowment Fund and \$2,596,900 from the Park Improvement Fund. The proposal would result in no net change in appropriations for State park operations. An additional \$70,000 to \$80,000 could be collected due to the larger increase for nonresident annual permits.

If Section 74109 is not repealed and no General Fund money is appropriated for State parks operations, then the Department of Natural Resources will lose approximately \$5,400,000 in revenue to the Park Improvement Fund due to the reversion of MVP fees to their levels prior to Public Act 177 of 1989. The reduction could be somewhat less than this amount since more people are likely to visit the State parks if entrance fees are lower.

Date Completed: 6-16-03 Fiscal Analyst: Jessica Runnels

Floor\sb537

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.