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House Bill 6261 (Substitute H-1 as discharged) Sponsor: Representative Joel Sheltrown

House Committee: Tourism, Outdoor Recreation and Natural Resources

Senate Committee: Natural Resources and Environmental Affairs

## **CONTENT**

The bill would amend Part 821 (Snowmobiles) of the Natural Resources and Environmental Protection Act to exempt a historic snowmobile from the regular snowmobile registration process; and authorize the Secretary of State to issue to the owner of a historic snowmobile a historic snowmobile registration decal for a \$50 registration fee. A registration would be valid for the period the person owned the historic snowmobile and would be nontransferable.

("Historic snowmobile" would mean a snowmobile that is over 25 years old and that is owned solely as a collector's item and for occasional use and participation in club activities, exhibitions, tours, parades, and similar uses, including mechanical testing.)

Currently, \$17 dollars of each snowmobile registration fee must be deposited into the Snowmobile Registration Fee Subaccount. Of this money, up to \$3 of each fee must be appropriated to the Department of State for administration of the registration provisions, and \$14 must be appropriated to the Department of Natural Resources and Environment (DNRE) for snowmobile enforcement, administration of State snowmobile programs, and local snowmobile programs.

The bill would increase the amount of each regular registration fee that must be deposited in the Subaccount to \$22, increasing the amount allocated to the Department of State to \$19. The bill would require \$8 of each historic registration fee to be deposited in the Subaccount; of that amount, \$3 would have to be appropriated to the Department of State, and \$5 would have to be appropriated to the DNRE.

Also, \$42 of each historic snowmobile registration fee would have to be deposited in the Recreational Snowmobile Trail Improvement Subaccount.

Provisions requiring a snowmobile operator to purchase an annual snowmobile trail permit sticker in addition to registration would not apply to a registered historic snowmobile.

MCL 324.82101 et al. Legislative Analyst: Julie Cassidy

## FISCAL IMPACT

Under current law, the DNRE receives \$19 of each \$30 snowmobile registration to provide financial assistance to county sheriff departments and local law enforcement agencies for snowmobile programs. Of the \$30 registration fee, \$8 goes to the Permanent Snowmobile Trail Easement Subaccount, which is used to purchase land and secure easements on

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private property with the goal of providing a contiguous trail system in the State. The remaining \$3 is credited to the Department of State for administration. These fees are paid every three years. In FY 2008-09, approximately \$1.8 million was collected from registrations fees.

House Bill 6261 (H-1) would allow the Secretary of State to issue historic snowmobile registrations that residents could purchase for a one-time fee of \$50. Of this fee, \$3 would go to the Department of State for administration, \$5 for local law enforcement, and \$42 for trail land purchases and easements as discussed above. In the short term, this could provide a modest increase in revenue as owners of historic snowmobiles who must renew their registrations chose the \$50 registration rather than the \$30 one. However, over the long term, these owners would no longer have to renew their registrations, so a decline in revenue would be likely. The amount of this decline is impossible to determine without knowing how many snowmobiles would qualify for the historic registration, and how many owners would accept the restrictions that would accompany the historic registration.

Additionally, under current law snowmobiles must have a trail permit sticker affixed in order to be legally operated in the State. These permits cost \$45, of which \$43.50 is deposited in the Snowmobile Trail Improvement Subaccount. The Subaccount is used for acquisition, construction, and maintenance of snowmobile trails. In FY 2008-09, approximately \$7.5 million was collected from these fees. The bill would exempt historic snowmobiles from the requirement of having one of these permits, which would likely lead to a loss of some indeterminate amount of revenue to this fund.

The bill should have no fiscal impact on the Department of State. As noted above, \$3 of the one-time \$50 historic snowmobile registration fee would go to the Department to cover any additional administrative costs associated with the creation of new decals for historic snowmobiles or any rules promulgation.

Date Completed: 12-1-10 Fiscal Analyst: Joe Carrasco

Josh Sefton

## Floor\hb6261

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.