



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 1020 (Substitute S-1 as reported)  
Sponsor: Senator Tom Casperson  
Committee: Transportation

**CONTENT**

The bill would amend Part 811 (Off-Road Recreation Vehicles) of the Natural Resources and Environmental Protection Act to do the following:

- Require the Michigan Department of Transportation (MDOT), by May 1, 2013, to authorize the operation of off-road vehicles (ORVs) on the maintained portion of a State trunkline highway, other than an interstate highway, on all or part of at least 10 highways in the Upper Peninsula and at least five highways in eligible counties (defined below) in the Lower Peninsula.
- Permit the county board of commissioners of an eligible county, after December 31, 2013, to adopt an ordinance authorizing the operation of ORVs on the maintained portion of a State trunkline highway, other than an interstate highway.
- Require a stretch of highway to meet certain conditions (such as service as a connector between designated ORV trails and access to tourist attractions and fuel) in order for MDOT or a county board of commissioners to authorize ORV use on it.
- Make the operation of an ORV on a highway subject to provisions that govern the operation of an ORV on a road or street.
- Prescribe procedures by which MDOT could close a highway to ORV operation.
- Provide that the State, a board of county road commissioners, a board of county commissioners, and a municipality would not have a duty to maintain a highway in a condition reasonably safe and convenient for the operation of ORVs, and would be immune from tort liability for injuries or damage sustained from the operation or use of an ORV on highways.
- Require 50% of the fine revenue for a violation of a county ordinance under the bill to be appropriated to MDOT to repair damage and post signs regarding ORV operation.
- Provide that a person who violated a rule promulgated or order issued in connection with MDOT's authorization of ORV use on highways would be responsible for a State civil infraction and could be ordered to pay a maximum civil fine of \$500, plus the cost of repairing any damage to the environment, a highway, or public property.
- Provide that a person participating in the sport of ORV operation would accept the risks associated with the obvious and inherent dangers of the sport, including injury to people or property but excluding injury resulting from another person's careless or negligent ORV use.
- Require the Department of Natural Resources (DNR) to designate at least two days each year as free ORV-riding days, during which ORV licensure would not be required.
- Provide that ORV licensure would not be required if the vehicle were licensed in another state and operated in Michigan only in Gogebic, Iron, Dickinson, and Menominee Counties south of U.S.-2.
- Authorize operation of an ORV on the roadway or shoulder when necessary to cross a bridge or culvert, if certain conditions were met.
- Prohibit the DNR from requiring a permit for an ORV event that involved 75 or fewer ORVs on the frozen surface of public water or on State-owned land, unless the event conflicted with rules not related specifically to ORV events.

"Eligible county" means any of the following counties: Gratiot, Montcalm, Newaygo, Oceana, Saginaw, Sanilac, Tuscola, or any county lying north of those counties, including all of the counties of the Upper Peninsula; or St. Clair County.

MCL 324.81115 et al.

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill could have an indeterminate fiscal impact on both the Department of Transportation and local road agencies. The cost to MDOT to repair highways damaged by ORVs could far exceed the potential revenue that would be generated by the proposed fines. The potential costs to MDOT depend on the number of county boards of commissioners that ultimately adopted an ordinance allowing the operation of ORVs on highways.

The bill also could place additional costs on local road agencies associated with environmental and incidental road damage caused by the use of ORVs on highways. Although local agencies are reimbursed by MDOT for particular maintenance and road repair costs they incur, the Department reimburses only a certain percentage of those costs, depending on the amount appropriated for those reimbursements in the Department's annual budget. If the costs to local agencies exceed the amount reimbursed by MDOT, the local agencies must absorb that cost. The potential cost to local road agencies depends on the number of county boards of commissioners that ultimately adopted an ordinance allowing the operation of ORVs on highways.

The bill would likely have a minimal effect on the amounts received for ORV licenses by the Department of Natural Resources. It is likely that residents of Michigan who own ORVs already purchase annual licenses for them, as the licenses are a relatively small marginal cost when compared to the cost of fuel, maintenance, and insurance and the fixed cost of acquisition of an ORV. It is likely, then, that the only impact the bill would have on the DNR is that people from out of State could come and use Michigan's trails for free on free ORV riding days. The amount of revenue lost would likely be small, however, as many of the out-of-State ORV users who would take advantage of the free ORV riding days would likely not purchase an annual ORV license otherwise.

Date Completed: 11-29-12

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