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BILL



ANALYSIS

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Senate Bill 1259 (as introduced 12-4-18)  
Sponsor: Senator Goeff Hansen  
Committee: Outdoor Recreation and Tourism

Date Completed: 12-12-18

### **CONTENT**

**The bill would amend the Natural Resources and Environmental Protection Act to modify the percentage of remaining recreation passport fee revenue that must be deposited in to certain accounts.**

The bill would take effect 90 days after its enactment.

Under the Act, the Department of Natural Resources (DNR) must distribute recreation passport fee revenue as follows:

- First, for necessary expenses incurred by the Secretary of State (SOS) each fiscal year in administration and implementation of Section 805 of the Michigan Vehicle Code, which provides that an applicant for the issuance or renewal of vehicle registration may submit concurrently a recreation passport fee. Funds appropriated for necessary expense must be based upon an established cost allocation methodology and may not exceed \$1.0 million.
- The next \$10.7 million received each fiscal year must be deposited to the State park improvement account.
- The next \$1.03 million received each fiscal year must be deposited in the waterways account.

The remaining recreation passport fee revenue must be deposited as follows:

- 50% in the State park improvement account to be used for capital improvements at State parks, including State recreation areas.
- 30% in the State park improvement account to be used for operations and maintenance at State parks, including State recreation areas.
- 2.75% in the State park improvement account to be used for operations, maintenance, and capital improvements of State park cultural and historic resources.
- 0.25% in the State park improvement account to be used for certain promotions related to State park usage and internet for State park camping reservations.
- 10% in the local public recreation facilities fund to be used for the development of public recreation facilities for local units of government.
- 7% in the forest recreation account to be used for operating, maintaining, and making capital improvements to State forest campgrounds.

The bill would require 75% to be deposited in the State park improvement account to be used for capital improvements, operations, and maintenance at State parks, including State

recreation areas. The bill also would increase, from 10% to 15%, the deposit in the Local Public Recreation Facilities fund.

MCL 324.1001 & 324.2045

Legislative Analyst: Tyler VanHuyse

### **FISCAL IMPACT**

The bill would have a negative fiscal impact on the Department of Natural Resources (DNR) and a positive fiscal impact on local units of government. The bill would effectively shift just over \$750,000 of Recreation Passport revenue from State parks to grants to local public recreation facilities each year. The table below shows the impact of the bill on fiscal year 2016-17 Recreation Passport fee revenue distribution.

<b>Recreation Passport Revenue Distribution Under Current Law vs. S.B. 1259</b>		
	<b>Current Law</b>	<b>Under S.B. 1259</b>
<b>FY 2016-17 Recreation Passport Revenue</b>	<b>29,023,200</b>	<b>29,023,200</b>
Sec. of State Administration	1,000,000	1,000,000
Park Improvement Account	11,580,200	11,580,200
State Waterways Fund	1,114,700	1,114,700
<b>FY 2016-17 Amount Distributed Under Formula</b>	<b>15,328,300</b>	<b>15,328,300</b>
50% State Parks Capital Outlay	7,664,200	N/A
30% State Parks Operations & Maintenance	4,598,500	N/A
75% State Parks Capital Outlay, Operations, & Maintenance	N/A	11,496,200
10% Local Public Recreation Facilities	1,532,800	N/A
15% Local Public Recreation Facilities	N/A	2,299,300
7% Forest Recreation	1,073,000	1,073,000
2.75% State Parks Cultural & Historical Resources	421,500	421,500
0.25% Marketing & Promotions	38,300	38,300

Fiscal Analyst: Josh Sefton

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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.