



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

**REGISTRATION FEE FOR CANOE BUSINESS
RECEIVED**

House Bill 5554 (Substitute H-1)
First Analysis (3-8-90)

MAR 21 1990

Sponsor: Rep. Keith Muxlow
Committee: Marine Affairs & Port Development
Mich. State Law Library

THE APPARENT PROBLEM:

Public Act 56 of 1988 made a number of changes to the Marine Safety Act with regard to watercraft registration fees and their distribution in order to address shortfalls in the Marine Safety Fund. Specifically, the bill established a \$4.50 registration fee for nonmotorized privately owned canoes effective January 1, 1989 and increased from \$4.50 to \$6.75 (effective January 1, 1989) and to \$8.25 (effective January 1, 1990) the fee for nonpowered vessels, except canoes, at least twelve feet in length. Public Act 133 of 1989 (House Bill 4782) amended the act to exempt privately owned nonmotorized canoes and kayaks, and privately owned boats (such as rowboats) propelled by oars or paddles and 16 feet or less in length from the act's registration fee provisions and maintained the scheduled increase in registration fees from \$4.50 to \$6.75 (effective January 1, 1990) and to \$8.25 (effective January 1, 1990) for other nonpowered vessels. In addition, the 1989 amendments served to increase the registration fee from \$4.50 to \$8.25 for nonmotorized canoes and kayaks used for rental and commercial purposes effective January 1, 1990 by including these vessels in the general category of nonpowered vessels. Testimony before the House Marine Affairs and Port Development Committee indicated that it was not the intention of the 1989 legislation to raise the fees for rental and commercial canoes and kayaks in 1990.

THE CONTENT OF THE BILL:

The bill would amend the Marine Safety Act to specify that the registration fee for rental and commercial nonmotorized canoes and kayaks would be \$4.50 and would allow the owner of a registered commercial or rental canoe or kayak to receive a refund of a portion of the registration fee equal to the difference in the amount the owner paid for registration between January 1, 1989 and the effective date of the bill and the \$4.50 fee. Within 90 days after the refund of the registration fee the owner could request a refund of any tax paid on the nonmotorized canoe or kayak between January 1, 1989 and the effective date of the bill.

MCL 281.1033

FISCAL IMPLICATIONS:

According to the Department of Natural Resources there are approximately 16,000—19,000 livery vessels currently registered in the state, and at least 50 percent of those vessels are canoes. According to the secretary of state's office, the cost to issue a refund is expected to exceed the refund returned to livery owners. However, the exact cost of administering the bill has not been determined at this time. (3-7-90)

ARGUMENTS:

For:

It was never the intention of the legislature to raise the registration fees of commercial and rental canoes and kayaks. The bill will address this technical oversight by restoring fee levels to what they were before the 1989 increase took effect on January 1, 1990.

Against:

There are good reasons to increase the fees for livery canoes and kayaks. The \$4.50 fee rate has been in effect since 1975; however, the popularity of the state's water resources has dramatically increased the demands made upon the public recreational facilities frequently used by rental and commercial canoes and the demands made upon the law enforcement resources of the state and its counties. Since the registration fee rates of most other recreational water vessels have been recently increased to address shortfalls within the Marine Safety Fund, it seems only logical that one of the major user groups of public recreational facilities would also have its rates increased in keeping with the user-pay philosophy to which other boaters are subject.

POSITIONS:

The Michigan Boating Industries Association has no position on the bill at this time. (3-6-90)

The Michigan Sheriff's Association has no position on the bill at this time. (3-7-90)

The secretary of state's office has no position on the bill. (3-6-90)

The Michigan Recreation and Parks Association opposes the bill. (3-7-90)

H.B. 5554 (3-8-90)