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BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 360 (as reported with amendment)

Sponsor: Senator Phil Arthurs

Committee: Natural Resources and Environmental Affairs

Date Completed: 5-1-89

RATIONALE

Off-road vehicles (ORVs) are required to be registered with the Department of State for use in Michigan. One State park, Silver Lake Recreation Area, allows ORV use within its limits. While the Department of Natural Resources (DNR) is authorized to issue temporary seasonal ORV stickers to nonresidents at a price of \$6, a resident who wishes to drive his or her ORV within the park must register it with the Department of State. Further, the revenue from the DNR's sales of nonresident temporary seasonal ORV registrations is required to be credited to the Department of State. Occasionally, unregistered resident ORV owners will arrive at the park intending to use the vehicle only to discover that use of the ORV is prohibited without a valid Department of State registration. Some feel that the DNR should be authorized to sell temporary seasonal registrations for ORVs' use within a State park that allowed such use to both resident and nonresident ORV users, and that the DNR should be permitted to retain the revenue from such sales for the maintenance of its ORV trails.

CONTENT

The bill would amend Public Act 319 of 1975, which provides for the registration and regulation of ORVs, to provide for temporary seasonal registration of ORVs for use in State parks.

The DNR could issue such a registration to

resident and nonresident owners of ORVs that were not otherwise registered with the Department of State. The temporary seasonal registration would be available for a fee of \$10 and would permit use of the ORV only at a State park that allowed such use. A registration decal, which would expire on December 31 of the year of issue, would have to be affixed to the ORV and would not be transferable.

Money received from the temporary seasonal registration would have to be credited as part of State park fee and concession revenues and be used for the administrative costs incurred in providing the registrations.

(NOTE: While the bill would amend Sections 6 and 7 of the Act to allow the DNR to sell the temporary seasonal registration to both residents and nonresidents for \$10, Section 13 of the Act would still authorize the DNR to sell "special permits and stickers" to nonresident ORV users for only \$6.)

MCL 257.1606 and 257.1607

FISCAL IMPACT

The bill would have a minimal fiscal impact on the State and no fiscal impact on local units of government.

According to the DNR, it presently provides a \$6 temporary seasonal registration to approximately 470 out-of-state ORVs each year.

S.B. 360 (5-1-89)

Although the majority of resident ORVs receive a \$9 three-year registration from the Department of State, the DNR Parks Division estimates that a small portion (between 1,000 and 1,800 vehicles) would obtain a \$10 temporary seasonal registration. Thus, if temporary permits were issued to between 1,470 and 2,270 resident and nonresident ORV owners, the bill could provide a \$14,700 to \$22,700 increase in revenue to the DNR Park Fee and Concession Fund to cover administrative costs of the program, with a decrease in revenue to the Department of State. Net revenue could increase between \$2,880 and \$3,680 for the first year of the program, due to issuing temporary permits for residents' ORVs and increasing the temporary permit cost to nonresidents.

ARGUMENTS

Supporting Argument

By allowing the DNR to offer temporary ORV permits for the use of ORVs within a State park, the bill would provide a solution to a problem that arises when residents show up to use the park's facilities with unregistered ORVs. In addition, the bill would provide a revenue source for the upkeep of the DNR's ORV trails.

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