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BILL ANALYSIS

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Senate Bill 1279 (as passed by the Senate)  
Senate Bill 1280 (Substitute S-1 as passed by the Senate)  
Senate Bill 1281 (Substitute S-1 as passed by the Senate)  
Sponsor: Senator Jason E. Allen (S.B. 1279)  
Senator Patricia L. Birkholz (S.B. 1280)  
Senator Tony Stamas (S.B. 1281)

Committee: Natural Resources and Environmental Affairs

Date Completed: 8-17-04

### **RATIONALE**

Michigan's State parks system has preserved much of the State's beaches, meadows, and forests for public use. At one time, the majority of the 96 parks' operating, maintenance, and capital improvement costs were covered by the State's General Fund. Beginning in 1980, however, General Fund support began decreasing, until it ended altogether in fiscal year 2003-04. User fees have increased and money has been spent from the State Parks Endowment Fund to make up the difference. (Please see **BACKGROUND** for more information on the State Parks Endowment Fund.) Despite these adjustments in funding, the system increasingly has had to rely on volunteers to maintain trails, teach classes, and provide other services previously performed by paid employees. In 1992, a group called the Citizens Committee for Michigan State Parks provided a strategic plan for the State parks to the year 2020, but that committee has since disbanded. Some people believe that the State parks could use a boost in their funding, in public recognition of their volunteers and services, and in citizen input.

### **CONTENT**

**Senate Bill 1279 would amend the Income Tax Act to permit an individual to designate on his or her tax return that \$2 or more of his or her income tax refund be contributed to the Michigan State Parks Endowment Fund.**

**Senate Bill 1280 (S-1) would amend Part 741 (State Parks System) of the**

**Natural Resources and Environmental Protection Act to create the Citizens Committee for Michigan State Parks, which would be required to recommend parks policy, provide guidance, educate the public, and perform other tasks.**

**Senate Bill 1281 (S-1) also would amend Part 741 to require the Department of Natural Resources (DNR) to create a "Gem of the Parks" award to recognize key State parks for their contribution to the State parks system, a "Volunteer of the Year" award to recognize outstanding individuals who donated time or money to the system, and an "Employee of the Year" award to recognize outstanding employees of the State parks system.**

A more detailed explanation of each bill follows.

### **Senate Bill 1279**

The proposed income tax refund designation to the State Parks Endowment Fund would be available for the 2004 tax year and each tax year thereafter. If a person's tax refund were not sufficient to make a contribution to the Fund, the person could designate a contribution amount, which would have to be added to his or her tax liability for the tax year.

The tax designation would have to be printed clearly and unambiguously on the

first page of the State individual income tax return forms.

Notwithstanding any other allocations or disbursements required by the Act, each year that the contribution designation for the State Parks Endowment Fund was in effect, an amount equal to the cumulative designation, less the amount appropriated to the Department of Treasury to implement the bill's requirements, would have to be appropriated from the General Fund and deposited in the Michigan State Parks Endowment Fund. The appropriation would have to be used solely for the purposes of the Fund.

### **Senate Bill 1280 (S-1)**

#### Membership

The proposed Citizens Advisory Committee for Michigan State Parks would consist of 17 individuals appointed by the DNR Director and with the advice of the Natural Resources Commission.

The first members would have to be appointed within 60 days after the bill's effective date. Of the first members appointed, six would serve for four years, six for three years, and five for two years. Subsequently appointed members would serve four-year terms.

Upon a majority vote of the members, the Committee could remove a member for incompetency, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause. A member would have to be removed from the Committee if he or she did not attend four consecutive Committee meetings.

Members would serve without compensation, but could be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as Committee members.

#### Duties

The Committee would have to do all of the following:

- Advise and make recommendations to the Governor, the Commission, and the Legislature on State parks policy and provide guidance on State parks

development, management, and planning issues.

- Seek the development of a broad variety of programs, facilities, and services for citizens using State parks.
- Inform and educate the public about the importance of and need for State parks.
- Strive to involve citizens in the planning and development of State parks.
- Strive to ensure that the facilities, programs, and projects were barrier-free and accessible to all citizens.
- Establish and maintain effective public relations regarding State parks, using all appropriate communications media.
- Advise on financial planning and pursue adequate budget support for State parks.
- Serve as a liaison and coordinate with other agencies to ensure a cooperative effort to provide the most effective and economical service possible at State parks.
- Evaluate the State parks' programs, facilities, services, and relationships periodically to assure that the Committee's goals and objectives were being achieved.
- Advise and make recommendations to the DNR on the Gem of the Parks Award, the State Parks Volunteer of the Year Award, and the State Parks Employee of the Year Award (proposed by Senate Bill 1281).

#### Procedures

The DNR Director would have to call the first Committee meeting, at which the Committee would have to elect from among its members a chairperson and other officers as it considered necessary or appropriate. After the first meeting, the Committee would have to meet at least twice a year, or more frequently at the call of the chair, or if requested by nine or more members.

Six members would constitute a quorum for the transaction of business at a Committee meeting. A majority of the members present and serving would be required for official Committee action.

The chairperson of the Committee would have to ensure that all of its proposed policy positions were sent to Committee members at least one week before the meeting at which the policy position would be acted on. The Committee could adopt an emergency resolution that had not been sent to

members at least one week before a Committee meeting, but only upon the approval of three-quarters of those present at the meeting.

The Committee would be subject to the Open Meetings Act and the Freedom of Information Act.

### **Senate Bill 1281 (S-1)**

The DNR would have to develop a program to facilitate the determination and presentation of the Gem of the Parks Award, the Volunteer of the Year Award, and the employee of the Year Award. The awards would have to be made annually. The Department also would have to develop a set of standards to use in determining the recipients of the awards, with consideration given to the following:

- The contribution of the State park, volunteer, or employee to the preservation of the State's natural resources.
- The amount of any monetary donation.
- The length of time donated or the years of employment.
- The length of a long-term commitment to the preservation of the environment.

Annually, the Department would have to submit the names of the award recipients to the standing committees in the Senate and House responsible for natural resources matters.

Proposed MCL 206.437 (S.B. 1279)  
MCL 324.74101 et al. (S.B. 1280)  
Proposed MCL 324.74124 (S.B. 1281)

### **BACKGROUND**

A 1994 amendment to the State Constitution created the Michigan State Parks Endowment Fund to finance operations, maintenance, and capital improvements at State parks, and the acquisition of land or rights in land for State parks. In August 2002, the voters approved a constitutional amendment to change the distribution formula and allow the State Treasurer to invest in equity securities and other types of investments.

Under Part 741 of the Natural Resources and Environmental Protection Act and Article IX, Section 35 of the State Constitution, up to

\$10 million per year of revenue from oil and gas bonuses, rentals, and royalties from State-owned land, which otherwise is dedicated to the Michigan Natural Resources Trust Fund, is to be deposited into the Endowment Fund, until the Trust Fund reaches an accumulated principal of \$500 million. At that point, all revenue otherwise dedicated to the Natural Resources Trust Fund must go to the State Parks Endowment Fund until it reaches an accumulated principal of \$800 million. At the end of the 2002-03 fiscal year, the balance in the Natural Resources Trust Fund was \$291.6 million.

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

Michigan has exceptional natural resources: It contains over 3,000 miles of Great Lakes coastline, 11,000 lakes, and 36,000 miles of streams and rivers. Half of the State is forested, and 21% of its land area is in public ownership. These natural resources should be preserved for the enjoyment of the State's citizens and future generations. Michigan, however, is one of three state parks systems in the country not funded by its state's general fund, and the only one without a dedicated revenue stream. As a result, park users increasingly have had to shoulder the costs of operating and maintaining the parks. In fiscal year 2003-04, user fees made up 71% of the State parks' budget, while money from the State Park Endowment Fund made up most of the remainder. As a result of relying on an unstable source of revenue such as user fees, many parks are struggling to maintain their facilities and unable to make necessary capital improvements or plan for the long term. Senate Bill 1279 would provide a means for all Michigan taxpayers to contribute voluntarily to the Endowment Fund. Donating a small amount of tax refund money would be a fairly painless way to support the parks. Considering that 76% of the voters approved the ballot proposal that created the State Parks Endowment Fund, it is likely that a high participation rate would result.

Admittedly, a tax checkoff probably would be a short-term solution to the longer-term

problem of State parks funding. Senate Bill 1280 (S-1) would provide for a citizens advisory council that would, among other things, provide advice on financial planning and pursue adequate budget support for the parks. The Council would serve as an important reference for parks policy, as was the first Citizens Committee for Michigan State Parks appointed by the DNR Director in 1989. That Council, now defunct, developed Vision 2020, a strategic plan for Michigan State parks to the year 2020. Citizens again deserve to have a voice in park management and planning.

Senate Bill 1281 (S-1) would reward the excellent work done by parks' volunteers and employees, as well as highlight exceptional State parks. Because parks' staff and volunteers do so much for the benefit of the public, it would be appropriate to recognize their contributions publicly with annual awards.

Legislative Analyst: Claire Layman

## **FISCAL IMPACT**

### **Senate Bill 1279**

The bill would increase revenue to the Michigan State Parks Endowment Fund by an indeterminate amount. There is currently one tax contribution designation on the State income tax form, for the gubernatorial State Campaign Fund. In tax year 2002, \$1,518,360 was contributed to the State Campaign Fund from this designation. Two other designations once were available and both ended in 1999. In their last year of availability, the Children's Trust Fund designation generated \$938,300 and the Nongame Wildlife Fund designation generated \$534,400.

### **Senate Bill 1280 (S-1)**

The bill would result in minimal expenses related to reimbursement of actual and necessary expenses incurred by members of the Committee.

### **Senate Bill 1281 (S-1)**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Jessica Runnels

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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.