



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4515 (as reported without amendment)
Sponsor: Representative Jenn Hill
House Committee: Transportation, Mobility and Infrastructure
Senate Committee: Transportation and Infrastructure

CONTENT

The bill would amend Part 811 (Off-Road Recreation Vehicles) of the Natural Resources and Environmental Protection Act to delete a provision prohibiting the collection of off-road vehicle (ORV) license fees after April 1, 2024.

MCL 324.81116

BRIEF RATIONALE

According to testimony before the Senate Committee on Transportation and Infrastructure, the COVID-19 pandemic significantly increased the use of ORVs in Michigan. In 2021, there were 287,000 registered ORVs in the State.¹ Sales of passes to ORV parks grew 107% from 2020 to 2021.² Nationwide, in 2022 the U.S. ORV market size was valued at \$10.6 billion and is expected to grow an overall 7.5% between 2023 and 2032.³ The rising popularity of ORVs could lead to a greater need for funding to maintain trails and parks, to ensure safe operation of ORVs, and more. Licensing fees are a major component of the ORV Trail Improvement Fund and the ORV Safety Education Fund; however, current law prohibits these fees from being collected after 2024. Accordingly, it has been suggested that this provision be removed.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

This bill would remove the sunset that prohibits the DNR from collecting fees after April 1, 2024. Removing this sunset would have a positive fiscal impact on the DNR as it could continue collecting fees that accounted for \$11.4 million for the ORV Trail Improvement Fund and the ORV Safety Education Fund in Fiscal Year 2021-22. There is no anticipated fiscal impact for local units of government, and the DNR's costs are expected to remain consistent because the DNR already collects these fees.

Date Completed: 10-26-23

Fiscal Analyst: Jonah Houtz

¹ Jagielo, Tim, "Off-Road Vehicle Trails and Parks Are Fueling Economic Development in Michigan", *Detroit's NPR Station*, May 28, 2021.

² *Id.*

³ "U.S. Off-Road Vehicles Market Size", Global Market Insights. Retrieved on 10-25-23.