

## STATE OF MICHIGAN DEPARTMENT OF TREASURY

RICK SNYDER GOVERNOR

LANSING

NICK A. KHOURI STATE TREASURER

DATE:

November 26, 2018

TO:

Keith Creagh

Director, Department of Natural Resources

FROM:

Nick Khouri

State Treasurer

**SUBJECT:** 

Calendar Year 2019 Non Resident State Park Fees: Inflation Adjustments

MCL 324.74117, as amended by Public Act 81 of 2013, governs the manner in which Non Resident Park fee rates are calculated. The calculation uses the Detroit-Ann Arbor-Flint MI – all items – all urban consumers consumer price index (Detroit CPI-U). MCL 324.74117, Section 9 specifies:

For each calendar year, the state treasurer shall adjust the amounts set forth in subsections (2) to (4) [base permit fee amounts] by an amount determined by the state treasurer to reflect the cumulative percentage change in the consumer price index from October 1, 2010 to the October 1 immediately preceding that calendar year, using the most recent data available and rounded to the nearest dollar.

Thus, the inflation adjustment for a given calendar year equals the Detroit CPI-U value for the October directly prior to the calendar year divided by the Detroit CPI-U value for October 2010 minus one. The inflation adjustment is applied to the following base permit fee rates to determine the calendar year's fee rates: Annual Motor Vehicle Permit: \$29; Daily Motor Vehicle Permit: \$8; Daily Commercial Vehicle Permit: \$15; Towed Second Motor Vehicle, Duration of Camping Stay: \$6.

The Detroit CPI-U value for October 2010 is 205.824 and the Detroit CPI-U for October 2018 is 233.134. Thus, for calendar year 2019, the inflation adjustment percentage equals 13.3 percent. Increasing each of the base fee rates by 13.3 percent and rounding to the nearest dollar yields the following fee rates for calendar year 2019:

Annual Motor Vehicle Permit \$33.00(\*)
Daily Motor Vehicle Permit \$9.00
Daily Commercial Vehicle Permit \$17.00

Towed Second Motor Vehicle,

Duration of Camping Stay \$7.00

Note: (\*) denotes change from CY 2018 level.

Please call Eric Bussis (373-2158) or me (241-2624) if you have any questions.

cc: Ruth Johnson, Secretary of State

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