



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: November 14, 2016

TO: Keith Creagh
Director, Department of Natural Resources

FROM: Nick Khouri
State Treasurer

SUBJECT: Recreation Passport Fee Inflation Adjustments:
Passport Fee Revenue Distribution Levels

MCL 324.2045 stipulates that the Department of Natural Resources shall distribute recreation passport fee revenue as follows:

- (a) First, for necessary expenses incurred by the secretary of state each state fiscal year in administration and implementation of section 805 of the Michigan vehicle code, 1949 PA 300, MCL 257.805. Funds appropriated for necessary expenses shall be based upon an established cost allocation methodology that reflects actual costs. Appropriations under this subdivision in a state fiscal year shall not exceed \$1,000,000.00.
- (b) The next \$10,700,000.00 received each fiscal year shall be deposited in the state park improvement account.
- (c) The next \$1,030,000.00 received each fiscal year shall be deposited in the waterways account.

For fiscal years beginning with FY 2012, the statute specifies that the state treasurer shall adjust the amounts specified for the state park improvement account and the waterways account "to reflect the cumulative percentage change in the consumer price index [Detroit-Ann Arbor-Flint MI – all items – all urban consumers consumer price index] for the most recent 1-year period for which data are available."

As a result, directly prior to fiscal year 2017, the most recent 1-year period for which data are available is for fiscal year 2016 and the percent change for FY 2016 compared with FY 2015 is +1.0 percent (0.01). Based on this percentage change in the Detroit CPI, the following table presents the adjusted maximum passport fee distribution to the state park improvement account and to the waterways account for FY 2017, along with the existing levels for FY 2011, FY 2012, FY 2013, FY 2014, FY 2015 and FY 2016:

**Passport Fee Revenue Distribution Levels
FY 2011 – FY 2017**

Fiscal Year for Fee	Prior Year Detroit CPI FY Percent Change	Maximum State Park Improvement Deposit	Maximum Waterways Deposit
2011		\$10,700,000.00	\$1,030,000.00
2012	2.5%	\$10,967,500.00	\$1,055,750.00
2013	2.5%	\$11,241,687.50	\$1,082,143.75
2014	1.9%	\$11,455,279.56	\$1,102,704.48
2015	1.1%	\$11,581,287.64	\$1,114,834.23
2016	-1.0%	\$11,465,474.76	\$1,103,685.89
2017	1.0%	\$11,580,129.51	\$1,114,722.75

Please call Jay Wortley (3-2697) or me (1-2624) if you have any questions.

cc: Ruth Johnson, Secretary of State
 Dr. William E. Moritz, Natural Resources Deputy
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