

STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

RICK SNYDER GOVERNOR

DATE:

November 26, 2018

TO:

Keith Creagh

Director, Department of Natural Resources

FROM:

Nick Khouri

State Treasurer

SUBJECT:

Recreation Passport Fee Calculation

Calendar Year 2019 Recreation Passport Fee Inflation Adjustments

MCL 257.805, as amended by Public Act 82 of 2013, governs the manner in which Recreational Passport fees are calculated. The Detroit-Ann Arbor-Flint MI – all items – all urban consumers consumer price index (Detroit CPI-U) is used for these calculations. MCL 257.805, Section 7 specifies:

For each calendar year, the state treasurer shall adjust the amounts set forth in subsection (1) [base rates] 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 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. Adjusting each of the base fee amounts (\$5 for motorcycles and \$10 for other vehicles) by the adjustment percentage and rounding to the nearest dollar stipulates that, for calendar year 2019, the recreation passport fees should be

- \$6 for motorcycles
- \$11 for all other vehicles.

Both the CY 2019 motorcycles rate and other vehicles rate are unchanged from their CY 2018 levels. Please call Eric Bussis (373-2158) or me (241-2624) if you have any questions.

cc: Ruth Johnson, Secretary of State

William O'Neill, DNR Mark Hoffman, DNR Ron Olson, DNR

Katherine Kratz, Treasury

Jacklin Blodgett, DNR Erik Eklund, DNR Sharon Schafer, DNR Jason Crandall, DNR

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STATE TREASURER