



**MICHIGAN
LEAGUE OF
CONSERVATION
VOTERS**

To: Chairman O'Malley
From: Nicholas Occhipinti, Michigan League of Conservation Voters
Date: 9.23.2019
Re: Formal request for hearing on House Bills 4775, 4776, and 4486 (Howell and Warren); recreation passport opt-out

The Michigan League of Conservation Voters (LCV) is the non-partisan, political voice for Michigan's land, air, and water.

Today, we write as a proud member of a large conservation coalition working to foster participation in Michigan's Recreation Passport program. The coalition includes the Michigan Trails and Greenways Alliance, Michigan United Conservation Clubs, the Nature Conservancy, Michigan Parks and Recreation Association, Heart of the Lakes, the Nature Conservancy, the Michigan Environmental Council, and more. **We would like to formally request you hold a hearing on HB's 4775, 4776, and 4486 (Howell and Warren).**

Our state parks, public lands, and recreation areas are critically important. Michigan is home to more than 100 state parks, recreation areas, and scenic sites totaling over 305,000 acres - of which 257,000 acres are open for hunting. The parks provide 13,500 campsites at 140 state forest campgrounds hosting over 25 million visitors annually. According to the Outdoor Industry Association, consumers spend \$26.6 billion in Michigan annually on outdoor recreation which generates 232,000 direct jobs, \$7.5 billion in wages and salaries, and \$2.1 billion in state and local tax revenue.

Michigan's 680,000 hunters produce more than \$2.3 billion in economic activity and 49% of hunters utilize public land (including state and Michigan federal lands). Michigan's 1.1 million anglers contribute \$2.5 billion annually, and wildlife watchers spend more than \$1.6 billion-- some \$485 per year per viewer on trips and equipment. Michigan's state parks, public lands, and recreation areas fundamentally enable this economic activity and our quality of life.

Michigan's Parks and Recreation Areas Need Investment

The Department of Natural Resources (DNR) has documented the need for 561 priority renovation and upgrade projects, estimated at a cost of over \$273 million within the Michigan State Parks System (not including state waterways, Belle Isle Park, or railway systems.) Dams, bridges, trails, roads, harbors, boating access sites, shooting ranges, fish ladders, electrical systems, water systems, and sewer systems are all in need of serious work. In it's FY 2020 Capital Outlay Budget the DNR States: "The amount of annual funding available to support basic infrastructure needs continues to fall far short to adequately address the backlog of maintenance, repair, and improvement projects."

As with most infrastructure management, when maintenance is deferred and needed improvements go unaddressed the risk of infrastructure failure increases. Hasty or emergency repairs are often more expensive than preventative maintenance, planned repairs, and replacement.

The Recreation Passport - Moving to "Opt-Out"

Currently, the Recreation Passport generates some \$30 million dollars with a 33% participation (opt-in) rate. HB 4486 adds an "opt-out" provision that will provide a meaningful increase in funding. It's estimated that moving to an opt-out approach could increase the participation rate to as much as 50% within a year, raising an estimated \$15 million more annually. The bills increase the amount of revenue dedicated to local recreation projects from 10% to 15% - growing the total money for local grantmaking from \$1.6 million to \$4.7 million.

Is the opt-out some kind of trick?

No, this is simply the best option to raise money for critical Michigan assets without raising taxes or mandatory fees. The opt-out is a frequently used tool in the public and private sector for wholly preserving individual freedom and rational choice, while nudging individuals toward a desired outcome. For example, years ago many businesses began opt-ing their employees into 401k's and retirement plans, while allowing them to refuse. In schools, the architectural design and set up of the cafeteria can increase the convenience and appeal of healthier options leading to increased fruit and vegetable consumption of schoolchildren without forcing kids to eat healthier. According to the American Journal of Preventive Medicine, several studies have found that simply prompting (nudging) individuals to make a plan increases the probability of the subject eventually engaging in healthy behaviors, such as immunizations, healthy and cancer screening. (Matjasko et al / Am J Prev Med 2016;50(5S1):S13-S19.) HB 4486 employs the same type of contextual nudge.

Moreover, we will work with the Secretary of State to ensure citizens are wholly and appropriately alerted to the continued, voluntary nature of the Recreation Passport program.

Michigan's parks, iconic public lands, and natural resources are key to our economy, culture, quality of life, and very identity. We are hopeful that this legislation can be heard and will move quickly to begin closing the funding gap at Michigan's state and local parks and trails.

Sincerely,



Nicholas Occhipinti
Government Affairs Director, Michigan League of Conservation Voters