

The current Recreation Passport program in Michigan has notably contributed to the maintenance and improvement of state parks. However, the existing opt-in structure limits its potential impact. By transitioning to an opt-out system, it is possible to increase participation, enhance public access to state parks, and fortify the sustainability of Michigan's natural resources.

Background:

The Michigan Recreation Passport program has played a crucial role in funding and maintaining state parks, recreation areas, and boating access sites. Residents opt into the program during vehicle registration, paying an annual fee that allows them access to these natural treasures. While the program has achieved notable success, the opt-in structure presents some challenges.

Low Participation Rates: The opt-in nature of the program leads to lower participation rates, with approximately 36% of residents utilizing the recreation passport. Many residents may not be aware of the program or may choose not to participate actively.

Missed Opportunities for Revenue: The current system misses opportunities to generate additional revenue that could further enhance and expand the state park system.

Inertia and Default Bias: Economic research suggests that people are more likely to stick with default options. The opt-in system might be contributing to an unnecessary barrier to participation due to the cognitive effort required to actively enroll or not changing their enrollment status due to past year choices.

Proposal:

To address the deficiencies in the current structure, it is proposed to transition from an opt-in to an opt-out system for the Michigan Recreation Passport. Under this new model, residents would be automatically enrolled in the program during vehicle registration, with the option to decline if they choose not to participate.

Increase Participation: The opt-out system takes advantage of default bias, leading to higher participation rates estimated at 60% of all residents. This would expand the program's impact and allow more residents to contribute to the conservation and enjoyment of our state parks.

Streamline Enrollment: Shifting to an opt-out model simplifies the enrollment process, reducing administrative burdens and increasing efficiency for both residents and the State of Michigan.

Enhance Revenue Generation: By capturing a larger share of the population through the opt-out approach, there is an anticipation of increased revenue of \$21 million that can be directed toward vital improvements and innovations within the state park system.

Impacts:

The proposed transition from an opt-in to an opt-out Recreation Passport system holds the potential for transformative impacts on Michigan's state parks. By addressing the current deficiencies in participation rates, the shift aims to foster a more inclusive and engaged community. This change anticipates not only an increase in public access to state parks but also a more sustainable financial foundation for their maintenance and enhancement. The streamlined enrollment process under the opt-out model is poised to drive higher participation, thereby fortifying the state park system's role as a vital contributor to local economies and a source of recreational opportunities for residents.

Improve Public Access: The higher participation rates resulting from the opt-out structure would translate to increased public access to state parks, fostering a greater sense of community engagement with Michigan's natural resources. Other states that have implemented an opt-out system, such as Montana, have seen participation rates as high as 80% of state residents.

Sustainable Funding for State Parks: The additional revenue generated by the opt-out system would ensure a more sustainable and robust financial foundation for maintaining and enhancing our state parks, and enable the Department of Natural Resources to address its significant backlog of \$250 million in park infrastructure needs.

Economic and Recreational Opportunities: A thriving state park system contributes to local economies through tourism and recreation-related activities. The proposed shift aligns with the commitment to fostering economic growth and providing recreational opportunities for residents, and assists in the growth of a \$12 billion Michigan recreation economy.

Transitioning from an opt-in to an opt-out Recreation Passport system represents a strategic move toward maximizing the program's impact. By simplifying the enrollment process, increasing participation rates, and bolstering funding for state parks, Michigan can ensure the continued preservation and enjoyment of its natural treasures.