

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2128/1	Introduction Number AB-432	
Subject		
Antique snowmobiles, definition, terminology change, and registration period		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	8/18/2003

Fiscal Estimate Narratives

DNR 8/18/2003

LRB Number 03-2128/1	Introduction Number AB-432	Estimate Type Original
Subject Antique snowmobiles, definition, terminology change, and registration period		

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: This bill changes existing legislation that pertains to the registration of antique snowmobiles and also changes the existing terminology of "antique" to "classic". Currently, the law provides for any snowmobile of pre-1967 vintage to be exempt from annual registration after an initial registration as an antique. The new law would change that to allow any snowmobile of 35 years of age or older to be exempt after their initial registration as a classic.

Fiscal Estimate: Registration revenues are used by the Department in a number of different portions of the snowmobile program while gas tax funds are directed solely to the trail grants program to counties.

Under this bill, classic snowmobiles will be exempted from the \$5 transfer fee for a current registration certificate. This will be a minor fiscal impact.

The major fiscal impact will be a reduction in the amount of revenue accruing to the conservation fund from registration revenues.

1907 thru 1966 - Total Machines registered - 1,658
1907 thru 1966 - Machines registered as antique - 483
1907 thru 1966 - Machines registered as public - 1,175

Percentage of machines taking advantage of antique registration 29% ($483/1658 = .29$)

To approximate a more realistic approach, this percentage will be used on figures to estimate the most likely amount of dollars lost and gained (due to one time \$20 classic registration).

1967 thru 1969 - Machines registered as public - $13,462 \times 29\% = 3,904$

These machines are currently subject to \$30 registration every 2 years and upon passage of AB 432 would be captured in a 35-year window eligible for classic registration.

Projected Registration Losses

Assumptions:

Assume antiques would have been registered every other year, like current private registrations

Assume registrations at 1,952 for first year of registrations and a jump to 2,192 for antiques in 1970 and stays constant

Assume long range picture is 10 years

Assume operation of antiques start to decline by 10% after 5 years

Projected REGISTRATION \$ loss first full year of implementation

2004 First 1/2 of 1967 - 1969 machines - $1,952 \times \$30 = \$(58,560)$

Add in 1 time classic registration $1,952 \times \$20 = \$39,040$

Total Loss $\$(19,520)$

From there, the loss of revenue will grow each year because the number of antique snowmobiles registered annually will stay constant while the amount of lost revenue from those not renewed will continue to grow over the ten year cycle.

Given the above assumptions, the loss of revenue will reach an annualized level of \$253,000 in ten years.

Projected GAS TAX \$ loss first full year of implementation

Under this bill, the change in snowmobile registrations will impact the revenue generated from the formula transfer of the gasoline excise tax. Currently, antique snowmobiles are only calculated into the gas tax the first year of registrations. This bill will mean that all antique snowmobiles that would have been registered in the future will no longer be part of the gas tax equation. Estimates use the same numbers assumed for the registrations above and use the forecasting of the motor fuel excise tax. The estimates also use the aforementioned assumptions plus the assumption that the antique snowmobiles could be used in the gas tax formula every year not just when they are originally registered.

Formula is: Number of Registrations x Excise Tax x 50 gallons x .4 multiplier

2004 Gas Tax Lost: $1,952 \times .30 \times 50 \times .4 = \$11,712$

From there, the loss of revenue will grow each year because the number of antique snowmobiles that would have been renewed will not be part of the equation.

Given the above assumptions, the loss of revenue will reach an annualized of \$653,800 in ten years.

Long-Range Fiscal Implications

Reduced revenue from snowmobile registrations and from snowmobile gas tax

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 03-2128/1		Introduction Number AB-432	
Subject			
Antique snowmobiles, definition, terminology change, and registration period			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
First year of revenue lost for DNR operations: \$19,500. First year or revenue lost for local trail aids: \$11,712			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			-906,800
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$-906,800
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			-906,800
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-906,800
TOTAL State Revenues		\$	\$-906,800
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$-906,800	\$-906,800
NET CHANGE IN REVENUE		\$-906,800	\$-906,800
Agency/Prepared By		Authorized Signature	
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	
		Date	
		8/18/2003	