



Legislative Fiscal Bureau

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TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 150: Electrical Receptacles in State Parks

Assembly Bill 150 would increase the allowable number of state park campsites that have electrical receptacles. The bill was introduced on March 2, 2005, and referred to the Assembly Committee on Natural Resources. Assembly Substitute Amendment 1 to the bill was offered on May 26, 2005. On November 16, 2005, the Substitute Amendment was adopted by the Committee on a vote of Ayes, 12; Noes, 0; and recommended for passage on a vote of Ayes, 9; Noes, 3. The bill, as amended, was referred to the Joint Committee on Finance on November 29, 2005.

CURRENT LAW

Currently, DNR Bureau of Parks staff operate 71 recreational properties open to the public, including 45 state parks, 14 state trails (another 21 state-owned trails are locally operated and maintained through partnerships), seven southern state forests, and five recreational areas. An estimated 14.1 million visitors enter the parks and southern forests annually. The recreational properties managed by park staff contain 4,530 campsites, 1,407 acres of picnic area, and 32 beaches. Revenues to the parks account of the conservation fund are primarily generated by motor vehicle admissions fees to state parks and by camping fees.

The statutory minimum charge for all campgrounds was increased by \$2 per night under 2005 Act 25 (the 2005-07 biennial budget bill). Campgrounds are classified in statute as being type "A" (\$12 per night for residents, \$14 for nonresidents); type "B" (\$11 per night for residents, \$13 for nonresidents); or type "C" (\$10 per night for residents, \$12 for nonresidents). Designations are made based on the location of the campsite and what amenities (such as running water, electricity, flush or pit toilet facilities, or showers) are readily available to campers. Campgrounds in all state parks, southern forests, recreation areas, on state trails, as well as campgrounds located on Crystal

Lake, Musky Lake, Firefly Lake, and Clear Lake in the Northern Highland-American Legion state forest and Castle Mound campground in the Black River state forest are classified as type "A". All other northern forest campgrounds are classified as type "B" campgrounds. There are currently no campsites classified as type "C".

While minimum fees are established in statute, some additional fees have been implemented by administrative rule (including an extra fee of \$5 per night per campsite for electricity, additional weekend and holiday fees for certain campground areas from Memorial Day weekend through Labor Day, and additional fees not to exceed \$5 per night for certain campsites that have water views). Accordingly, fees charged for one night of camping can range from \$11 for a resident in a type "B" campground up to \$25 per night for a nonresident (\$14) camping in an electrified site (\$5) located on the water (\$3) in one of eight prime-location State Parks between Memorial Day weekend and Labor Day (\$3). Further, individuals wishing to reserve a campsite in advance must pay a \$10 fee per reservation.

Currently, no more than 25% of campsites may have electrical receptacles, and not less than 25% must be rustic campsites (including no electricity, flush toilets, or showers).

SUMMARY OF BILL

Assembly Substitute Amendment 1 to Assembly Bill 150 would allow up to 30% of all state park campsites to have electrical receptacles, rather than 25% currently. Further, the bill would specify that no more than 50% of the campsites in any one state park may have electrical receptacles.

FISCAL EFFECT

The bill would allow additional development of electrical receptacles by DNR in the future. Currently, almost 22% of all state park and southern forest campsites (1,013 campsites out of 4,661 total) have electrical receptacles. Approximately 152 more sites could be modified for electricity under the current law limit of 25%. DNR is currently planning to develop these sites this year. The substitute amendment would allow an additional 233 sites to feature electrical receptacles. In the fiscal note attached to the bill, DNR indicates that there would be sizeable one-time costs associated with installing sufficient electrical receptacles to reach the higher threshold (at an average cost of \$3,000 per campsite to upgrade 233 sites, for a total one-time cost of \$700,000 required to move from the 25% threshold to the 30% threshold) if the bill were enacted. However, the bill would not require DNR to install any additional receptacles. The Department could develop additional electrical receptacles in the future, but as is the case under current law, would not be compelled to do so by the bill.

Currently, DNR charges an additional \$5 per night for sites with electrical hook ups. The Department indicates that the cost of the electricity supplied to these sites averages \$1.06 per night. Assuming a typical 98% occupancy rate for electrical sites during the traditional 168 day high-demand camping season, it could be estimated that each site equipped with electrical receptacles could generate additional net revenues of up to \$650 per season to the parks account of the conservation fund. If all 233 sites allowed under the bill were upgraded, increased revenues could total \$150,000 annually. Based on these assumptions, the additional revenues generated by the \$5 per night charge for electrical hook ups would allow DNR to break even with its installation costs within approximately five years. Parks staff indicate that the expected life of a standard electrical hook up is 20 years, for an eventual return of perhaps \$10,000 in increased revenues per receptacle over its expected life span. To the extent that development or electricity costs increase, returns may be reduced (or park charges increased).

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