

Fiscal Estimate Narratives

DNR 12/10/01

LRB Number	01-3378/1	Introduction Number	AB-660	Estimate Type	Original
Subject					
Definition and registration period for antique snowmobiles					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: This bill changes existing legislation that pertains to the registration of antique snowmobiles. 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 30 years of age or older to be exempt after its initial registration as an antique.

Fiscal Estimate: The change would have a negative impact on the amount of revenue coming into the conservation fund from registration revenues and a negative impact on the revenue generated from the formula transfer of gasoline excise tax. Registration revenues are used by the Department in a number of different portions of the snowmobile program, while gas tax funds are solely for grants to counties for trail work.

Based on figures obtained in 2001, there are approximately 5,135 snowmobiles that are currently registered that would be exempted from the two year public use registration requirements under this bill. This would translate into a loss of \$154,050 of registration revenue (5,135 x \$30 registration fee) over the 2001 – 2003 biennium, \$77,025 annually. In succeeding years as the 30 year “window “ moves forward, the annual loss of snowmobiles from public registration would be lower. However, the cumulative impact would continue to rise. The current estimates are a loss of 3,000 1973 model snowmobiles in 2003 and 2,500 1974 model snowmobiles in 2004. There is no reliable estimate of the percentage loss of snowmobiles withdrawn from use versus the number that may be registered as antiques. For the purpose of this analysis it is assumed that the total number of snowmobiles that qualify will be registered as antiques.

Assuming that the provision goes into effect prior to the end of February 2002, the loss of fiscal 02 revenue directly to the trail grant program to counties arising from the gas tax formula transfer would be \$85,190 (5,135 x 50 gal x \$0.273 x 1.4). Using the estimates of loss of 3,000 and 2,500 snowmobiles for 2003 and 2004, respectively, the losses would grow to \$134,960 and \$182,735.

Long-Range Fiscal Implications

Long Range Fiscal Implications: In the future, it is not known how many snowmobiles that would qualify as antiques would be withdrawn from use (i.e. junked) versus those that may be registered as antiques. As a conservative estimate approximately \$100,000 per year would be lost in registration funds to the general snowmobile program and \$200,000 from the gas tax formula transfer for trail grant uses.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Definition and registration period for antique snowmobiles			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			-162,215
SEG/SEG-S			
TOTAL State Revenues	\$		-\$162,215
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-162,215		\$
Agency/Prepared By		Authorized Signature	Date
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