

Fiscal Estimate Narratives

DNR 4/26/2006

LRB Number	05-4412/2	Introduction Number	AB-1138	Estimate Type	Original
Description The registration of antique snowmobiles					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

This bill amends a provision in current law allowing for the registration of a snowmobile of model year 1966 or earlier as an antique. Under the bill, a snowmobile may be registered as an antique if the snowmobile is at least 30 years old.

Fiscal Estimate:

The Department has no way to precisely estimate the number of snowmobiles that will switch from public snowmobile registration to antique snowmobile registration. This bill will result in some decreased revenue both in registration revenue and gas tax revenue. Any loss in revenue will result in less funding for state trail aids and local enforcement aids.

Based on known vehicles of model year 1976 or earlier, there are currently 4,971 snowmobiles listed as public registration (subject to a \$30 fee every two years) that could switch to antique snowmobile registration (\$20 one-time fee) under this bill. It is unknown how many of these snowmobiles would be switched to antique registration. To provide an example of the potential revenue loss, the Department conservatively estimates that half the known eligible public registered snowmobiles (2,486) will switch to the antique registration. This would result in an initial loss of \$24,860 (2,486 x \$10) in registration revenue and, due to the one-time antique registration, additional loss from lack of renewals annualized during the following years of \$37,290 (2,486 x \$30/2). The current formula for snowmobile gas tax is: registered snowmobiles X 50 gallons X motor fuel tax rate, plus a .4 multiplier. Currently, after snowmobiles are initially registered as antiques, the following years they are not be figured into the gas tax formula. Again, assuming, conservatively, that half the known eligible vehicles (2,486) take advantage of the antique registration, the annualized loss to gas tax based on current law motor fuel tax rate would be: 2,486 X 50 gallons X .291 = \$36,170 plus the .4 multiplier of \$14,468 = \$50,600. Total potential annualized revenue loss = \$87,900.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description The registration of 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			
SEG/SEG-S			-87,900
TOTAL State Revenues		\$	\$-87,900
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-87,900	\$
Agency/Prepared By		Authorized Signature	Date
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