

Fiscal Estimate Narratives

DNR 4/8/2005

LRB Number	05-1823/3	Introduction Number	AB-150	Estimate Type	Original
Subject					
Number of state park campsites with electrical receptacles					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: Under current law, the number of state park campsites that have electric receptacles maintained by the Department of Natural Resources may not be more than 25% of all state park campsites. This bill increases this percentage to 50%.

Fiscal Impact: Currently, 21.7% of all state park and southern forest campsites provide electricity. That is 1013 electric sites out of 4661 total park and southern forest sites. If this bill becomes law, it is planned to build out to the 50% level of electrical campsites. At that level, this would be a total of 2330 campsites with electric receptacles - an additional 1317 electric campsites. The cost of electrifying the additional 1317 existing campsites is estimated to be \$3,951,000 in one-time costs, and \$230,000 annually. The revenues are estimated to be \$1,124,000 annually. The following revenue and expenditure estimates were calculated at the 50% level.

Increased Revenues to parks and forestry segregated accounts:

Charging the current rate of \$5 for electrical hook-up per night, and assuming an occupancy rate of 98%, the extra revenue generated will be \$6,500 per night system-wide. Annual additional revenues for a 168 day minimum season would be \$1,084,000. Further, additional revenues will result from increased admission sticker sales to new campers estimated at \$40,000 per annum.

Increased Costs:

Electricity costs are paid from parks operating budgets. Total costs to provide this additional electricity is \$230,000 annually. The average cost to provide electricity for these additional 1317 sites is \$1.06 per day. This again assumes a 168 day season combined with a 98% occupancy rate. The one-time cost associated with converting 1317 nonelectric sites to electrified sites over an estimated six year period is \$3,951,000 at a cost per campsite of \$3,000.

Long-Range Fiscal Implications

An increase in revenues to provide much needed extra revenue to parks and forestry SEG accounts.

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Number of state park campsites with electrical receptacles			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
The one-time cost of converting existing non-electric campsites to electric campsites is estimated at \$3,951,000			
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	230,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$230,000	\$
B. State Costs by Source of Funds			
	GPR	62,000	
	FED		
	PRO/PRS		
	SEG/SEG-S	168,000	
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	1,124,000	
	TOTAL State Revenues	\$1,124,000	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$230,000	\$
	NET CHANGE IN REVENUE	\$1,124,000	\$
Agency/Prepared By		Authorized Signature	Date
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