

Fiscal Estimate Narratives

DNR 2/11/2008

LRB Number 07-1277/1	Introduction Number AB-0660	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 this bill, a snowmobile may be registered as an antique if the snowmobile is at least 30 years old at the time that the owner applies for registration.

Fiscal Estimate: The Department estimates that this bill will result in decreased annual revenue from snowmobile registrations and from the snowmobile fuel tax transfer totaling \$208,500. The loss in revenue will result in less funding for state trail aids and local enforcement aids.

According to Department data, there are 5,634 snowmobiles of model year 1977 or earlier that are not currently registered as antiques. The Department assumes that, under the provisions of the bill, the owners of each of these snowmobiles would register the snowmobiles as antiques, electing to pay a one-time \$20 fee rather than \$30 biennially. This would result in an initial, one-time revenue loss of \$56,340 associated with these registered snowmobiles [5,634 snowmobiles x (\$30 - \$20)]. In addition, the Department estimates an ongoing annualized loss from a lack of renewals of approximately \$84,500 [5,634 snowmobiles x (\$30/2)]. The Department also estimates that the bill will result in less annual snowmobile fuel tax revenue -- which is the major source of revenue to the snowmobile account of the segregated Conservation Fund. An appropriation is made annually, which equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of March of the previous fiscal year, multiplied by the number of registered snowmobiles as of the same date, with the result multiplied by 1.4. Currently, once a snowmobile is registered as an antique, the Department no longer figures it into the snowmobile fuel tax equation. Assuming that the owners of each of the 5,634 snowmobiles of model year 1977 or earlier register them as antiques, the annual loss in snowmobile fuel tax revenue would be approximately \$121,900 [5,634 x 50 gal. x \$0.309 x 1.4].

Additionally, the Department will have to update its snowmobile registration system to integrate a dynamic registration component that will track the snowmobile model year. The Department assumes this will take approximately 10 hours of computer programming and form updating, at a one-time cost of \$1,000.

Long-Range Fiscal Implications

Revenue losses would increase over the years as additional snowmobiles reach the 30 year mark.

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time revenue loss: \$56,340. In addition the Department would incur \$1,000 in costs related to programming and form updating.			
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, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-206,400
TOTAL State Revenues	\$		\$-206,400
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-206,400		\$
Agency/Prepared By		Authorized Signature	Date
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