

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3846/1	Introduction Number AB-0598	
Description Snowmobile registration, trail use sticker requirements, intoxicated snowmobiling, snowmobile speed limits, calculating the estimated snowmobile gas tax payment, funding for alcohol education programs and state trails, providing penalties, and making appropriations		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.855 (4) (t)		
Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOT 1/20/2010

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Assumptions Used in Arriving at Fiscal Estimate

The bill would change the snowmobile gas tax formula used to calculate the amount of funds transferred from the transportation fund to the conservation fund.

Instead of basing the formula on the number of registered snowmobiles in the state, the bill uses the total number of trail passes sold annually to calculate the amount of the transfer and requires that all snowmobiles registered in the state display an annual trail pass.

Currently, the amount of the transfer is based on the number of snowmobiles registered for public use as well as the number of commercial owner registrations and additional commercial plates, multiplied by 50 gallons, and multiplying that product by an excise tax of \$0.309 per gallon. An amount equal to 40% of the amount calculated previously is then added to the transfer. The formula amount of the transfer is calculated by DNR as \$4,780,371 for FY 11.

Assuming an estimated 221,007 snowmobiles registered in the state for FY 11 would be required to purchase an annual trail pass, and assuming 27,882 nonresident snowmobile trail passes (the number sold in FY 09) the new formula would result in an additional loss to the transportation fund of \$603,086 for FY 11, for a total transfer of \$5,383,457 in FY 11.

Under 2009 Wisconsin Act 28, the transportation fund has an opening balance of \$0 in FY 10 and an ending balance of \$23 million. However, due to lower than anticipated transportation revenues in FY 09, the Department projects a true closing transportation fund balance for FY 09 is a deficit of \$29.98. Assuming the deficit for FY 09 carries over to FY 10, adoption of AB 598 will contribute to a total DOT budget deficit of \$6.96 million at the close of FY 10. Assuming the FY 10 deficit of \$6.96 million carries over to FY 11, adoption of AB 598 will contribute to a total DOT budget deficit of \$27.34 million at the close of FY 11.

If nonresident snowmobile trail passes increased to the level sold in FY 08 (40,056), the new formula would result in an additional loss to the transportation fund of \$866,411 for FY 11, \$5,646,782 and a total budget deficit of \$27.61 million in FY 11.

The local fiscal effect is indeterminate since these revenues will be distributed by the Department of Natural Resources.

Long-Range Fiscal Implications