

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-4533/1	Introduction Number AB-0624
Description the dates for which an annual vehicle admission receipt or an annual state trail pass are valid	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around; font-size: small;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> <input type="checkbox"/> Decrease Costs </div> </div>	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>	
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	
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794
Date 1/8/2018	

Fiscal Estimate Narratives

DNR 1/8/2018

LRB Number	17-4533/1	Introduction Number	AB-0624	Estimate Type	Original
Description the dates for which an annual vehicle admission receipt or an annual state trail pass are valid					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, the validity of an annual state park and forest admission pass or a state trail pass would change from a calendar year to a 12 month period from the date of purchase.

Under current law, admission and trails passes are valid only during the calendar year in which they are purchased. Department staff are able to identify the validity of the current calendar year pass by its color, whereas under the proposed date of purchase pass, staff would have to mark each pass when it is sold to reflect the date of purchase and would need additional time to check the validity of the pass upon park entrance or during other enforcement checks.

A. State Park & Forest Admission Passes

1. Cost Estimate

The change to a dated sticker valid for one year from the date of purchase would have minimal additional expenses from the current system. The only change to the printing of the sticker itself would be to add printing of months on one side of the sticker and dates on another part. A hole punch would be used to mark the month and date of purchase on each sticker, the sticker would then expire one year from that punched date. Currently, Minnesota State Parks utilizes a similar system for their admission stickers.

There would be some additional, but minimal, printing costs to add the month/date printing on the annual pass, and the current printing contract would need to be revised accordingly.

There would be an increase in staff time to mark each sticker sold and to provide an explanation to the customer of the new expiration date. The Department estimates that an additional 864 hours would be necessary to mark the proposed stickers, for an expense of \$15,600 (estimated average salary and fringe of \$18/hr.).

There may also be an increase in staff time to more closely inspect each sticker upon entrance to the park to confirm the sticker is valid. The Department estimates that an additional 2,778 hours in additional time to properly check the validity of the proposed stickers at a cost of \$50,000.

Total additional costs are estimated at \$65,600/yr.

2. Revenue Estimate

It is unknown how the proposed changes will affect sales of admissions stickers. It may be more likely for a visitor coming to a property during the fall to buy an annual pass instead of a daily pass with the proposed change. An increase in annual pass sales during the fall would result in less daily pass sales, and could increase revenue by an indeterminate amount.

It is assumed that over time, sales of admissions stickers would be more consistent throughout the year rather than frontloaded at the beginning of the outdoor recreational season.

B. State Trail Passes

1. Cost Estimate

There would be minimal impact upon trail operations with this proposed change. Unlike park entrances, the Department does not have staff at trail entrances to ensure that everyone that uses the trail has a valid pass. The Department does currently perform spot checks of trail users to ensure that users have a valid

trail pass. This would continue under the proposed change, but the pass check will likely take longer because there would be no visual color cue on the pass that would easily and quickly demonstrate its validity. Under the proposed change, staff would continue checking for trail passes but now would have to stop each user to check the date on each pass. The proposed bill would make an enforcement check longer and thus limit the number of spot checks that could be performed.

2 Revenue Estimate

Due to the lower amount of trail enforcement pass checks, it is expected that there will be less pressure on trail users to purchase annual trail passes, which would lead to an indeterminate reduction in trail pass revenue for the Parks Account.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description the dates for which an annual vehicle admission receipt or an annual state trail pass are valid			
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	\$65,600	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$65,600	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	65,600	
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		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$65,600	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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