



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #578

Online Vehicle Admission Fees (Natural Resources -- Parks)

[LFB 2023-25 Budget Summary: Page 441, #10]

CURRENT LAW

Most state parks, forests, and recreational areas require a vehicle admission sticker for entry. Under current law, annual vehicle admission stickers cost \$28 for residents and \$38 for nonresidents, including a 50¢ issuing fee. Discounted annual admission stickers are available for resident senior citizens (\$13). Members of households that have purchased a full-priced annual admission sticker receive a discount on additional stickers (\$15.50 for residents and \$20.50 for nonresidents). DNR sells additional parks admissions stickers, including one-day passes, bus admission passes, and nursing home admission passes.

Beginning in May, 2020, DNR began offering annual state park admission stickers online at <https://yourpassnow.com/ParkPass/wi>. Your Pass Now offers resident annual admission stickers, nonresident annual admission stickers, senior citizen annual admission stickers, and reduced-rate admission stickers to persons who also purchase a full-priced admission sticker in the same transaction. DNR contracted with NIC Wisconsin, which developed the GoWild system used for fishing and hunting license approvals, to create the Your Pass Now system.

DISCUSSION POINTS

1. Vehicle admission sticker revenues are deposited into the parks and forestry accounts of the conservation fund in proportion to the estimated proportion that each property type is used by sticker owners. Admission sticker revenues are the largest source of general program operations funding for state parks and recreation areas. Revenues fund the daily operations and maintenance of state parks, including salaries and fringe benefits for state park personnel, cleaning and minor repairs in parks properties, and recreational programming. Admission sticker revenues also fund the costs related to their issuance, including printing, and staff time. DNR estimates that printing costs

approximately 9¢ per sticker.

2. Table 1 shows the number of stickers sold through Your Pass Now in each year since 2020. Stickers are shown by the year for which they are valid. It should be noted that DNR began offering reduced rate stickers through Your Pass Now in 2021. The reduced rate number shown in the table for 2020 includes only resident senior citizen sticker.

TABLE 1

DNR Parks Vehicle Admission Sticker Sales

Sticker Type	Total			Online			Online Percent		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Resident Annual	286,970	297,070	264,145	160,421	118,418	92,749	56%	40%	35%
Nonresident Annual	105,290	77,226	63,166	73,791	26,250	19,176	70	34	30
Reduced Rate*	<u>100,946</u>	<u>152,932</u>	<u>150,379</u>	<u>24,928</u>	<u>62,101</u>	<u>55,963</u>	25	41	37
Total	493,206	527,228	477,690	259,140	206,769	167,888	53%	39%	35%

* Includes senior citizen stickers.

3. The Your Pass Now system was developed at no upfront cost to the state. Instead, the developer, NIC Wisconsin, receives \$1.50 for each transaction processed by the Your Pass Now System. These fees must be paid by DNR through its general operations appropriations. The Department does not receive dedicated revenues, such as from statutory issuing fees, for this purpose. In addition to transaction costs, DNR must pay fulfillment fees to the Department of Administration (DOA) for printing and mailing stickers to purchasers. Table 2 shows the transaction and fulfillment costs paid by DNR for sticker sales through Your Pass Now.

TABLE 2

Your Pass Now Transaction Costs

Fiscal Year	NIC Wisconsin Developer Transaction Fees	DOA Mailing and Fulfillment Costs	Total
2020-21	\$614,300	\$176,100	\$790,400
2021-22	210,300	80,500	290,800
2022-23*	138,700	53,300	192,000

*Through April 6, 2023.

4. Assembly Bill 43/Senate Bill 70 would create a continuing appropriation for the payment of costs associated with online admission sticker sales. The bill would provide \$338,000 SEG annually, including \$94,600 from the forestry account and \$243,400 from the parks account.

5. As shown in Table 2, DNR expended \$290,800 in 2021-22 for Your Pass Now

transaction and fulfillment costs. Of the funding provided by the bill, \$300,000 is intended to fund transaction costs and fulfillment expenses for sales of parks admission stickers. This level of funding was based on the actual expenses paid in 2021-22, plus \$9,200 in case of higher-than-expected online sales. Additionally, the bill would provide \$38,000 to fund transaction costs associated with the sale of state trail passes to the Your Pass Now system, which the Department intends to offer in 2023-24 if funding for transaction costs is provided.

6. The Committee could provide DNR a source of funding for Your Pass Now transaction fees [Alternative 1]. The Committee could create a continuing appropriation for online admission fee sales and provide \$338,000 conservation SEG annually.

7. As described above, DNR estimates \$338,000 to be a higher estimate of transactions costs that will be incurred for online sticker sales in any given year. If expenses are lower than this amount, unexpended amounts will remain in the balance of the appropriation and will be unavailable for other parks, forests, and recreational expenditures.

8. DNR incurs costs related to online transactions, printing, handling, and other fulfillment expenses in other program areas, including for game licenses, recreational vehicle registrations, camping fees, and other Department sales.

- The GoWild system was developed by NIC Wisconsin and collects 65¢ for each hunting, fishing, or trapping transaction and 35¢ for each boat or vehicle registration. Under s. 20.370(9)(hv) of the statutes, DNR is authorized to deduct a portion of each license fee, issuing fee, and reprint fee and sold through the GoWild system to pay contractor expenses.

- Under s. 20.370(1)(er) of the statutes, in addition to the overnight campsite fee, DNR may charge a camping reservation fee of \$7.75. DNR retains \$1 of each camping reservation fee collected by a private vendor, Camis. The Department returns \$6.75 of every \$7.75 to Camis from an appropriation in the forestry and parks accounts.

- Under s. 20.370(9)(hu) of the statutes, DNR may assess handling fees and may deduct a portion of registration fees, issuing fees, reprint fees, and other fees charged on licenses and sales. These fees are used to pay for the costs of printing, handling, and to pay private sector vendors for their issuance expenses.

9. Rather than providing funding based on an estimate of online transaction costs, the Committee could authorize DNR to collect and remit transaction fees for online parks admission sticker and trail pass sales. The Committee could authorize the Department to assess a fee, in addition to the admission sticker fee, for online parks sticker and trail pass sale transaction costs. Additionally, the Committee could create an appropriation through which DNR may use all moneys received on online sale transaction fees for contracted expenses [Alternative 2].

10. Alternative 2 would provide DNR funding for online sales transaction costs. However, DNR would still be required to pay mailing and fulfillment expenses to DOA from parks general program operations expenses. In addition to authorizing DNR to assess an online transaction fee to pay the Your Pass Now contractor, the Committee could consider allowing DNR to deduct a portion

of parks admission sticker and trail pass fees to pay handling and fulfillment fees. For most handling and issuing fees, DNR is authorized to either assess an additional 75¢ handling fee, or to deduct 75¢ from the sales revenues.

11. Consideration could be given to authorizing DNR to assess an additional 75¢ fee on all admission stickers or trail passes purchased online to pay handling and fulfillment expenses [Alternative 3a]. Alternatively, the Committee could consider authorizing DNR to deduct 75¢ from the revenues from admission stickers or trail passes purchased online to pay handling and other fulfillment expenses [Alternative 3b]. The proceeds of these fees would be deposited in DNR's handling fee appropriation under s. 20.370 (9) (hu).

12. If the Committee takes no action [Alternative 4], DNR would continue to pay transaction fees through its general program operations budget. DNR indicates that the Department is unlikely to offer trail passes through the Your Pass Now system to reduce fulfillment and transaction costs. Because Your Pass Now expenses are contractual obligations, DNR would be required to absorb the costs within its budget by reducing other discretionary expenses.

ALTERNATIVES

1. Create a continuing appropriation for online parks admission sticker and trail pass transaction costs. Provide \$338,000 SEG, including \$94,600 from the forestry account and \$243,400 from the parks account annually.

ALT 1	Change to Base	
SEG	\$676,000	

2. Authorize DNR to assess a transaction fee on online sales of parks admission stickers and trail passes under contract. Create an all moneys received appropriation from which DNR may expend transaction fee revenues on contracted expenses. Estimate expenses at \$245,000 annually.

ALT 2	Change to Base	
	Revenue	Funding
SEG	\$490,000	\$490,000

3a. Authorize DNR to assess a 75¢ handling fee on online sales of parks stickers and trail passes and to pay mailing and fulfillment expenses from the revenues raised by the fee. Require DNR to deposit the revenues from the fee in the handling fees appropriation under s. 20.370(9)(hu). Reestimate handling fee revenue by \$93,000 annually.

ALT 3a	Change to Base	
	Revenue	Funding
SEG	\$186,000	\$186,000

3b. Authorize DNR to deduct 75¢ from the fee revenues received from online sales of parks stickers and trail passes and to pay mailing and fulfillment expenses from the deducted revenues. Require DNR to deposit the deductions from fees in the handling fees appropriation under s. 20.370(9)(hu).

ALT 3b	Change to Base
SEG	\$186,000

4. Take no action.

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