

LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor  
John W. Northey, Legal Counsel



EXHIBIT 4  
DATE 2.19.05  
HB 605  
Deputy Legislative Auditors:

Jim Pellegrini, Performance Audit  
Tori Hunthausen, IS Audit & Operations  
James Gillett, Financial-Compliance Audit

Memorandum

To: Scott Seacat, Legislative Auditor  
From: Vickie Rauser, Audit Manager *Vickie Rauser*  
Date: February 18, 2005  
Re: HB 605, Fiscal Note, Assumption #7 (05L-2061)

I was asked to review assumption #7 in the fiscal note attached to HB 605, which seeks to establish a state parks maintenance permanent trust account within the Department of Fish, Wildlife & Parks (FWP).

Assumption #7 states, "Camping revenues are currently used as matching funds with federal funds at a 1:3 ratio. The Parks Division used \$1,058,314 in federal funds requiring match in FY 2004, to maintain and improve campgrounds. The loss of \$308,008 of camping revenues will reduce available matching funds. The loss of federal revenue could be as high as \$924,024, but for purposes of this fiscal note are estimate [sic] at \$400,000 per year."

According to FWP personnel, the \$1,058,314 of federal expenditures discussed in assumption #7 include \$722,731 of capital outlay projects funded with Wallup-Breaux motorboat monies; \$217,365 of federal motorboat maintenance projects, and \$118,218 of federal program income.

FWP personnel stated the Parks Division is funded from four primary sources of revenue: the Earned Revenue (which includes camping revenues and light vehicle registration fees), the Motorboat Fuel Tax, a portion of the Coal Tax, and a portion of the Accommodations (bed) tax. The department's budgeting approach is to address (fund) HB 2 operations first and then to address (fund) HB 5 capital outlay projects. Currently the camping revenues are used as match for the Wallup-Breaux capital outlay projects.

According to FWP personnel, the projected decrease in the camping revenues and the redirection of light vehicle fees will cause the department to use motorboat fuel tax as backfill for the Parks Division's HB 2 funding, rather than HB 5 funding where most of it is currently directed. The Coal Tax money has historically been internally designated for land-based projects (cultural and aesthetic). Technically, it could be used as match for federal projects as long as the expenditures are allowable under federal regulations. The Accommodations Tax money is restricted to maintenance projects, rather than capital, and would not qualify for matching federal funds.

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