



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

**Bill #** SB0242

**Title:** Create state park decal

**Primary Sponsor:** Webb, Roger

**Status:** As Introduced

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$7,200	\$0	\$0	\$0
State Special Revenue	(\$1,763,454)	(\$3,653,894)	(\$3,769,211)	(\$3,759,001)
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$1,763,454)	(\$3,653,894)	(\$3,769,211)	(\$3,759,001)
<b>Net Impact-General Fund Balance:</b>	<u>(\$7,200)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 242 revises the fee paid by motor vehicles that provides funds for state parks, fishing access sites, and Virginia and Nevada City by establishing a window decal for purchase and eliminating the \$6 "opt-out" light vehicle registration fee.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Fish, Wildlife, and Parks (FWP):**

- SB 242 eliminates the "opt-out" \$6 light vehicle fee and establishes a window decal offered for sale by FWP that grants entry into Montana state parks for the period of one calendar year.
- Any vehicle with a valid window decal is exempt from paying state park day-use fees.
- The price is \$35 for the first decal and \$20 for each subsequent decal purchased for the same light vehicle.
- Of the \$35 decal \$34.37 is distributed to state parks, \$0.25 to fishing access sites, and \$0.38 to Virginia City and Nevada City.
- Of the \$20 decal \$19.37 is distributed to state parks, \$0.25 to fishing access sites, and \$0.38 to Virginia City and Nevada City.

6. Estimated decal sales are based on historical data from 2002 and 2003 when FWP sold a similar decal for \$30.
7. In 2002 and 2003, approximately 1% of light vehicle registrations purchased the \$30 decal.
8. Beginning in 2020, 2% of light vehicle registrations are estimated to purchase the new window decal.
9. Purchases of the decal for the \$35 price will be concentrated in FY 2020 and FY 2021 when light vehicles renewing their annual registration will be offered the window decal for the first time. Beyond FY 2021, light vehicles registering in Montana for the first time will be offered the \$35 decal while vehicles renewing their registration will be offered the \$20 decal because it is a subsequent purchase of the decal after an initial purchase in a prior year.
10. Light vehicles registering in CY 2020 represent the population of vehicles that will be offered the window decal for the first time. These vehicles will pay the \$35 fee if they choose to purchase the decal. The fiscal effect will be split between FY 2020 and FY 2021, the two fiscal years that encompass CY 2020.
11. In FY 2020, 2% of all light vehicles registering in the second half of the fiscal year (the bill is effective January 1, 2020, halfway through FY 2020) will purchase the \$35 window decal. This amounts to about 9,000 vehicles.
12. In FY 2021, 2% of all light vehicles registering in the first half of the fiscal year will purchase the \$35 window decal. This amounts to about 9,000 vehicles. In the second half of FY 2021, 2% of vehicles registering in Montana for the first time will purchase the \$35 decal. Vehicles renewing registration in the second half of FY 2021 with an expiring window decal that was purchased in the second half of FY 2020 will re-up their decal and pay the \$20 fee assessed for subsequent purchases. Just shy of 18,700 light vehicles are expected to purchase a window decal in FY 2021.
13. Total decal sales eclipse 20,000 in FY 2022 and FY 2023.
14. Table 1 on the following page details the fiscal impact of SB 242.
15. The reduction in state special revenue amounts to approximately \$3,700,000 per year beginning in FY 2021.
16. The loss of revenue to state parks will result in expenditure reductions for personal services, operations, and the major maintenance program.
17. For FY 2021 and following years, FTE will be reduced by 11.19 positions, including: groundskeepers, maintenance staff, park rangers, administrative staff, and program specialists.
18. Reduced operations activity will affect park hours, toilet pumping, cyclical mowing, garbage pickup, interpretive programming, preventive equipment repair, dust abatement, and road graveling.
19. The following deferred major maintenance needs would be affected by lower capital expenditures: dock repairs, hazard tree removal, pavement repairs, irrigation system repairs and replacements, trail maintenance, and public restroom repair and replacements.
20. Operations expenditures pertaining to fishing access sites will be reduced in each year.

**Department of Commerce (DOC):**

21. Revenue for the Montana Heritage Commission (MHC) will be reduced by more than \$200,000 in each fiscal year starting in FY 2021. Vehicle registration revenue in FY 2018 provided approximately 21.58% of MHC's personal services and operations funding (\$271,028/\$1,256,002).
22. The bill has no provision for another funding source. The Montana Heritage Commission (MHC) would make expenditure reductions equal to the revenue reductions.

**Department of Justice (DOJ):**

23. 60 hours of programming modification will be necessary to the MERLIN system at a contracted rate of \$120 per hour for a total cost of \$7,200 in FY 2020.

Table 1.

<b>Fiscal Impact of SB 242</b>				
<b>Current Law</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Light Vehicle Registrations	449,861	903,327	906,946	910,580
State Park Registration Fee Participation Rate	77%	77%	77%	77%
Fee Amount	\$6.00	\$6.00	\$6.00	\$6.00
<b>Total Fee Revenue</b>	<b>\$2,078,356</b>	<b>\$4,173,369</b>	<b>\$4,190,092</b>	<b>\$4,206,881</b>
State Parks (\$5.37)	\$1,860,129	\$3,735,165	\$3,750,132	\$3,765,159
Fishing Access Sites (\$0.25)	\$86,598	\$173,890	\$174,587	\$175,287
Virginia/Nevada Cities (\$0.38)	\$131,629	\$264,313	\$265,372	\$266,436
<b>Proposed Law</b>				
Light Vehicle Registrations	449,861	903,327	906,946	910,580
First Time Registrations	33,561	66,760	67,028	67,296
State Park Decal Participation Rate	2%	2%	2%	2%
<b>First Decal Purchased</b>				
Vehicles Participating	8,997	9,701	1,341	1,346
Fee Amount	\$35.00	\$35.00	\$35.00	\$35.00
<b>Total Fee Revenue from \$35 Decal</b>	<b>\$314,902</b>	<b>\$339,530</b>	<b>\$46,919</b>	<b>\$47,107</b>
State Parks (\$34.37)	\$309,234	\$333,419	\$46,075	\$46,259
Fishing Access Sites (\$0.25)	\$2,249	\$2,425	\$335	\$336
Virginia/Nevada Cities (\$0.38)	\$3,419	\$3,686	\$509	\$511
<b>Subsequent Decals Purchased</b>				
Vehicles Participating		8,997	18,698	20,039
Fee Amount	\$20.00	\$20.00	\$20.00	\$20.00
<b>Total Fee Revenue from \$20 Decal</b>		<b>\$179,944</b>	<b>\$373,962</b>	<b>\$400,773</b>
State Parks (\$19.37)		\$174,276	\$362,182	\$388,148
Fishing Access Sites (\$0.25)		\$2,249	\$4,675	\$5,010
Virginia/Nevada Cities (\$0.38)		\$3,419	\$7,105	\$7,615
<b>Total State Park Decal Fee Revenue</b>	<b>\$314,902</b>	<b>\$519,475</b>	<b>\$420,881</b>	<b>\$447,880</b>
State Parks (Remainder)	\$309,234	\$507,695	\$408,257	\$434,408
Fishing Access Sites (\$0.25)	\$2,249	\$4,675	\$5,010	\$5,346
Virginia/Nevada Cities (\$0.38)	\$3,419	\$7,105	\$7,615	\$8,126
<b>Fiscal Impact</b>				
<b>Total Fee Revenue</b>	(\$1,763,454)	(\$3,653,894)	(\$3,769,211)	(\$3,759,001)
State Parks	(\$1,550,895)	(\$3,227,470)	(\$3,341,875)	(\$3,330,751)
Fishing Access Sites	(\$84,349)	(\$169,216)	(\$169,577)	(\$169,941)
Virginia/Nevada Cities	(\$128,210)	(\$257,208)	(\$257,758)	(\$258,310)

\* FY 2020 numbers reflect January 1, 2020 effective data

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	(11.19)	(11.19)	(11.19)
<b><u>Expenditures:</u></b>				
Personal Services	(\$64,105)	(\$621,106)	(\$621,381)	(\$621,657)
Operating Expenses	(\$1,706,549)	(\$2,032,788)	(\$2,147,830)	(\$2,137,344)
Equipment	\$0	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Benefits	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>(\$1,770,654)</u>	<u>(\$3,653,894)</u>	<u>(\$3,769,211)</u>	<u>(\$3,759,001)</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$7,200	\$0	\$0	\$0
State Special Revenue (02)	(\$1,763,454)	(\$3,653,894)	(\$3,769,211)	(\$3,759,001)
<b>TOTAL Funding of Exp.</b>	<u>(\$1,756,254)</u>	<u>(\$3,653,894)</u>	<u>(\$3,769,211)</u>	<u>(\$3,759,001)</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$1,763,454)	(\$3,653,894)	(\$3,769,211)	(\$3,759,001)
<b>TOTAL Revenues</b>	<u>(\$1,763,454)</u>	<u>(\$3,653,894)</u>	<u>(\$3,769,211)</u>	<u>(\$3,759,001)</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$7,200)	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

**NO SPONSOR SIGNATURE**

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Sponsor's Initials

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Date

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Budget Director's Initials

*2/16/19*  
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