

PREPARED BY:  
DATE PREPARED:  
PHONE:

Mike Lovelace  
January 24, 2011  
471-0050

**LB 421**

Revision: 00

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * |              |         |              |           |
|--|--------------|---------|--------------|-----------|
|  | FY 2011-12   |         | FY 2012-13   |           |
|  | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE   |
| GENERAL FUNDS                                |              |         |              |           |
| CASH FUNDS                                   |              | 779,175 |              | 1,176,500 |
| FEDERAL FUNDS                                |              |         |              |           |
| OTHER FUNDS                                  |              |         |              |           |
| TOTAL FUNDS                                  |              | 779,175 |              | 1,176,500 |

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 421 increases the upper limit of the fee that may be charged for the annual, daily and duplicate park entry permit. The upper limit for the issuance fee is also increased.

The following table shows the current fee, the proposed fee, and the anticipated increase in revenue to the Park Cash Fund. These estimates were taken from the fiscal note that was prepared by the Game and Parks Commission and appear reasonable. Any assumptions are listed below the table.

| Permit                 | Current Fee | LB 421 Fee | Increased Revenue- Park Cash Fund |               |
|------------------------|-------------|------------|-----------------------------------|---------------|
|                        |             |            | FY 2011-12                        | FY2012-13     |
| Annual Park Entry      | 20.00       | 25.00      | 513,750                           | 685,000       |
| Duplicate Park Entry   | 10.00       | 12.50      | 114,375                           | 152,500       |
| Daily Park Entry       | 4.00        | 5.00       | 76,800                            | 240,000       |
| Issuance fee           | .35         | 1.00       | <u>74,250</u>                     | <u>99,000</u> |
| Total Revenue Increase |             |            | 779,175                           | 1,176,500     |

**Assumptions:**

- The fee will be set equal to the upper limit allowed by LB 421.
- The revenue estimates are based on a fiscal year sales pattern.
- The higher fees would be effective January 1, 2012.
- The Commission does not currently collect the 35 cent issuance fee but will collect the new \$1 fee.

DEPARTMENT OF ADMINISTRATIVE SERVICES

|   |               |      |         |       |          |
|---|---------------|------|---------|-------|----------|
| REVIEWED BY   | Cindy Miserez | DATE | 1/24/11 | PHONE | 471-2526 |
| COMMENTS  |               |      |         |       |          |
| GAME AND PARKS COMMISSION: I have no basis to dispute NGPC's statement. |               |      |         |       |          |

REVOLVED

2011

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Please complete ALL (5) blanks in the first three lines.

LB (1) 421 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Game and Parks Commission

Prepared by: (3) Patrick H. Cole Date Prepared: (4) January 19, 2011 Phone: (5) (402) 471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with 4 columns: FY 2011-2012 EXPENDITURES, FY 2011-2012 REVENUE, FY 2012-2013 EXPENDITURES, FY 2012-2013 REVENUE. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The proposed legislation would provide for an increase in the fees for park entry permits along with the issuance fee that can be collected for each. The current fee structure for park entry permits is \$20 – Annual; \$10 – Duplicate Annual; and \$4 – Daily. The new fees could be \$25 – Annual; \$12.50 – Duplicate Annual and \$5 – Daily for an increase in each of \$5, \$2.50 and \$1 respectively. While legislation provides for a differentiation in Resident and Nonresident permits, none has been adopted, thus all are sold at the resident rate structure.

The current issuance fee is \$0.35 for each permit. The new fee could be \$1.00, which would match the fee collected for hunting/fishing license issuance. The Commission currently collects \$1.00 for internet issued park entry permits to cover mailing costs, but has opted not to collect the current \$0.35 fee for on-site issuance for change making convenience. The Commission would likely collect a \$1.00 fee for on-site issued Annual and Duplicate Annual permits, but not on Daily permits if the legislation were adopted.

While it would be anticipated that there could be a decline in sales due to an increase in fees (historically this has been as much as 5%), it has not been consistent for each increase nor permit type and it is indistinguishable from normal year to year fluctuations. There was actually an increase in the number of Annual

MAJOR OBJECTS OF EXPENDITURE

Personal Services

Table with 5 columns: POSITION TITLE, NUMBER OF POSITIONS (11-12, 12-13), 2011-2012 EXPENDITURES, 2012-2013 EXPENDITURES. Rows include Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.

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permits issued during the last fee increase. For the purposes of this note only a slight decrease from current 2010 projected sales will be used to estimate additional revenues generated by a fee increase.

Fee increases would be applicable to 2012 permits. The following chart summarizes the estimated revenue calculations based on a 'fiscal year' sales pattern for the calendar year permits. It should be noted the issuance fee projections only represent the portion likely to be collected by the Commission (not external agents), namely Annual and Duplicate Annual issued on-site (not internet issued). Approximately 50% of the Annual and Duplicate Annual permits sold are sold on-site at Commission facilities (86% of Daily's).

FY11/12 revenue collections would only be a partial year of 2012 permit sales and is estimated to be \$779,175, while FY12/13 would be a full years collection of permit sales (albeit 2 calendar year permits 2012 and 2013) estimated at \$1,176,500. Both these amounts include the increase issuance fee. All fees would be deposited to the Park Cash Fund.

| LB Section   | Permit  | Current Fee | Possible 2012 fee | *<br>Est Fee Change | Est QTY | *Additional revenues generated |                        |     |
|--------------|---|-------------|-------------------|---------------------|---------|--------------------------------|------------------------|-----|
|              |   |             |                   |                     |         | Est FY11/12                    | Est 12/13              |     |
| 1            | Annual Park Entry Permit                              | \$ 20.00    | \$ 25.00          | \$ 5.00             | 137,000 | \$ 513,750.00                  | \$ 685,000.00          | PAI |
|              | Duplicate Annual Park Entry Permit 1/2A               | \$ 10.00    | \$ 12.50          | \$ 2.50             | 61,000  | \$ 114,375.00                  | \$ 152,500.00          | PAI |
| 1            | Daily Park Entry Permit                               | \$ 4.00     | \$ 5.00           | \$ 1.00             | 240,000 | \$ 76,800.00                   | \$ 240,000.00          | PAI |
| 2            | Park Permit Issue Fee for NGPC<br>(annual/dup annual) | \$ 0.35     | \$ 1.00           | 0.65<br>(1.00)**    | 99,000  | \$ 74,250.00                   | \$ 99,000.00           | PAI |
| <b>TOTAL</b> |   |             |                   |                     |         | <b>\$ 779,175.00</b>           | <b>\$ 1,176,500.00</b> | PAI |

APPLICABLE NOTES AND ASSUMPTIONS

Approximately 75% of Annual Park Entry Permits sales occur Jan-June, and 32% of Daily Park Entry Permits.

The issue fee for Park Entry Permits is currently \$0.35, the fee will likely be raised to \$1.00 on Annual/Dup (not daily)

\*\*the Commission currently does not collect the 0.35 fee but would likely collect the fee if \$1.