



## Fiscal Estimate Narratives

DNR 4/2/2009

LRB Number	09-1650/1	Introduction Number	AB-0101	Estimate Type	Original
<b>Description</b> The registration of antique snowmobiles					

### Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: This bill amends a provision in current law allowing for the registration of a snowmobile of model year of 1966 or earlier as an antique. Under this bill, a snowmobile may be registered as an antique if the snowmobile is at least 30 years old.

Fiscal Estimate: The Department estimates that this bill will result in decreased annual revenue from snowmobile registrations and from the snowmobile fuel transfer totaling \$258,717. The loss in revenue will result in less funding for state trail aids and local enforcement aids.

According to Department data, there are 7063 snowmobiles of model year 1979 or earlier that are not currently registered as antiques. The Department assumes that, under the provisions of the bill, the owners of each of these snowmobiles would register the snowmobiles as antiques, electing to pay a one-time \$20 fee rather than \$30 biennially. This would result in an initial, one-time revenue loss of \$70,630 associated with these registered snowmobiles [7063 snowmobiles x (\$30 - \$20)]. In addition, the Department estimates an ongoing annualized loss from a lack of renewals of approximately \$105,945 [7063 snowmobiles x (\$30/2)]. The Department also estimates that the bill will result in less annual snowmobile fuel tax revenue -- which is the major source of revenue to the snowmobile account of the segregated Conservation Fund. An appropriation is made annually, which equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of March of the previous fiscal year, multiplied by the number of registered snowmobiles as of the same date, with the result multiplied by 1.4. Currently, once a snowmobile is registered as an antique, the Department only counts the registration once and no longer figures it into the ongoing snowmobile fuel tax equation. Assuming that the owners of each of the 7063 snowmobiles of model year 1979 or earlier register them as antiques, the annual loss in snowmobile fuel tax revenue, other than the initial registration as an antique, would be approximately \$152,772 [7063 x 50 gal. x \$0.309 x 1.4].

Additionally, the Department will have to update its snowmobile registration system to integrate a dynamic registration component that will track the snowmobile model year. The Department assumes this will take approximately 10 hours of computer programming and form updating, at a one-time cost of \$1,000 if owners determine to transfer their registrations to antique status manually.

### Long-Range Fiscal Implications

Revenue losses would increase over the years as additional snowmobiles reach the 30 year mark. In 2010 there would be a loss of 7116 registrations and 3065 in 2011. Registration revenue, coupled with fuel tax revenue and the multiplier would present additional losses to the trails grant program.

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>09-1650/1</b>		Introduction Number <b>AB-0101</b>	
<b>Description</b> The registration of antique snowmobiles			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Costs - computer programming and form updating: \$1,000. Revenue lost - \$70,600			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-258,700
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$-258,700</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-258,700		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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