

Legislative Fiscal Bureau

Fiscal Note

SF 297 – All Terrain Vehicles (LSB 1441 SV.1)

Analyst: Mary Beth Mellick (Phone: (515) 281-8223) (marybeth.mellick@legis.state.ia.us)

Fiscal Note Version – SF 297 as Amended and Passed by the Senate

Description

Senate File 297, as amended and passed by the Senate, provides several changes to the Department of Natural Resources (DNR), including but not limited to the following:

- Creates separate funds in the State treasury for snowmobile fees and all-terrain vehicle fees.
- Specifies that moneys in the special snowmobile fund and all-terrain vehicle fund shall not revert to the State General Fund.
- Changes the registration fee for snowmobiles and all-terrain vehicles from a biennial fee of \$25.00 to an annual fee of \$15.00. New registrations are subject to the annual fee beginning January 1, 2004. To provide for the transition from biennial to annual payment:
 - Two-year registrations due to expire on December 31, 2004, will remain in effect until January 1, 2005, at which time the registrations will be renewed on an annual basis.
 - An additional fee of \$5.00 applies for new all-terrain vehicle registrations issued between July 1, 2003, and January 1, 2004.
- The writing fee collected by county recorders for issuance of registrations is increased from \$1.00 to \$1.25.
- Increases the fee for safety certificates issued to snowmobile and all-terrain vehicle operators under 18 years of age from \$3.00 to \$5.00.
- Requires nonresident operators of all-terrain vehicles to obtain a user permit at a cost of \$15.00 plus an administrative fee. County recorders will charge a \$1.00 writing fee.
- Provides a fine of \$100.00 to nonresidents who do not obtain a user permit.
- Allows moneys appropriated to the Department for all-terrain vehicle programs to be used for establishment, maintenance, and operation of all-terrain vehicle riding areas.
- Increases fines for the following snowmobile and all-terrain vehicle violations:
 - For certain operating violations, an increase from \$20.00 to \$100.00.
 - For defective equipment and identification violations, an increase from \$10.00 to \$20.00.
 - For vehicle rental violations, an increase from \$15.00 to \$20.00.

Assumptions

1. The Department of Natural Resources estimates there are 35,000 snowmobiles and 24,000 all-terrain vehicles registered in Iowa.
2. Based on a seven-year average, registration fees currently collected by the DNR for all-terrain vehicles and snowmobiles total approximately \$894,000 in the first year of the biennial year and \$470,000 in the second year:

First Year

- All-Terrain Vehicles: \$323,000
- Snowmobiles: \$571,000

Second Year

- All-Terrain Vehicles: \$155,000
- Snowmobiles: \$315,000

3. Under the proposed law, registration fees collected by the DNR for all-terrain vehicles and snowmobiles will total approximately \$855,000 annually:

- All-Terrain Vehicles: \$503,000
 - Snowmobiles: \$352,000
4. The number of new all-terrain vehicle registrations that will be issued between July 1, 2003, and January 1, 2004, is unknown.
 5. The DNR estimates there will be approximately 200 nonresident operators of snowmobiles and all-terrain vehicles annually, and therefore, administrative fees collected by nonresident operators will be minimal.
 6. The fees collected for safety certificates are minimal. A portion of safety certificates are issued by the Department, however, the majority are issued by mail through a private company upon purchasing the all-terrain vehicle or snowmobile.
 7. Under the current and proposed laws, expenditures total approximately \$650,000 annually. Expenditures include costs associated with salaries, land acquisition, park maintenance, equipment, and liability insurance.
 8. The number of snowmobile and all-terrain vehicle registrations are not expected to increase.

Correctional Impact

The correctional impact of Senate File 297, as amended and passed by the Senate, is expected to be minimal.

Fiscal Impact

The estimated net fiscal impact of Senate File 297, as amended and passed by the Senate, is as follows:

Snowmobile Fund and All-Terrain Vehicle Fund Department of Natural Resources

	First Year			Second Year		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Revenues</u>						
Snowmobile Fund	\$ 571,000	\$ 503,000	\$ - 68,000	\$ 155,000	\$ 503,000	\$ 348,000
All-Terrain Vehicle Fund	323,000	352,000	29,000	315,000	352,000	37,000
Total Revenues	\$ 894,000	\$ 855,000	\$ - 39,000	\$ 470,000	\$ 855,000	\$ 385,000
<u>Expenditures</u>						
Salaries	\$ 150,000	\$ 150,000	\$ 0	\$ 150,000	\$ 150,000	\$ 0
Support	10,000	10,000	0	10,000	10,000	0
Other*	490,000	490,000	0	490,000	490,000	0
Total Expenditures	\$ 650,000	\$ 650,000	\$ 0	\$ 650,000	\$ 650,000	\$ 0
Net Total	\$ 244,000	\$ 205,000	\$ - 39,000	\$ - 180,000	\$ 205,000	\$ 385,000

* Other includes groomers, land acquisition, park maintenance, equipment, and liability insurance.

Additional moneys associated with increases in safety fees, nonoperator fees, and fines are expected to be minimal.

Counties' General Fund

Additional moneys associated with increases in writing fees, and moneys collected from nonresident writing fees are expected to be minimal.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
Department of Natural Resources

/s/ Dennis C Prouty

March 27, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
