

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1007

State Parks

SPONSOR(S): Proctor

TIED BILLS:

IDEN./SIM. BILLS: SB 1638

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Military & Veteran Affairs Committee		Marino	Cutchins
2) Tourism Committee			
3) Agriculture & Environment Appropriations Committee			
4) State Administration Council			
5) _____			

SUMMARY ANALYSIS

House Bill 1007 allows active members of the Florida National Guard, and their spouses and minor children, free state park admission.

The revenue impact to the Division of Recreation and Parks is estimated to be a loss of approximately \$100,621. The Division, however, estimated a higher impact in its analysis.

The impact to the state from lost sales tax revenue from annual pass sales is indeterminate and expected to be minimal.

This bill takes effect July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower Families – House Bill 1007 benefits families of Florida National Guard members by allowing them to visit state parks together for free.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Under the Florida Department of Environmental Protection, the Division of Recreation and Parks operates and maintains 159 state parks, which cover 723,852 acres, with operating and capital budgets totaling around \$105 million¹. Park revenues during that time were approximately \$36.77 million. Park admittance fees are the parks' sole source of revenue and are used to pay salaries and other operating costs. Budgetary shortfalls are covered by funds from the Land Acquisition Trust Fund.

In 2004-2005, 17.3 million people visited Florida's state parks, down from a record attendance year in 2003-2004 of 19.1 million². The Division attributed the decrease in attendance to the effects of the above normal hurricane activity that year.

Entrance or admission fees to state parks is charged per carload (up to eight people), and the amount of the fee is based upon the park to which visitors are entering. Park admission fees can range from \$3 to \$5. Individuals may purchase an annual pass if they visit the parks frequently at a cost of \$43.40 (sales tax included), and families may purchase an annual pass for \$85.80 (sales tax included). Approximately 31,900³ annual passes were sold in 2004-2005.

Concerning military families, according to the Division, "Florida Park Service already allows the military free (state) park admission when requested⁴." The Division further confirmed that this "unwritten policy⁵" extends to all military personnel, which includes active duty, reservists, and National Guardsmen, and that the military personnel usually call ahead or show ID at the entry point in order to take advantage of this policy.

Effect of Proposed Changes:

House Bill 1007 appears to codify part of an existing policy within the Division of Recreation and Parks by allowing active members of the Florida National Guard (FNG), and their spouses and minor children, free state park admission. This bill does not affect active duty and reserve members of the armed forces who would continue to pay for park entrance or be able to take advantage of the "unwritten policy" stated above. This bill does not waive fees that entrants would pay for services such as overnight parking or renting campsites.

This bill takes effect July 1, 2006.

¹ Communication with Bruce Deterding, Legislative Affairs Division of Recreation and Parks. Division of Recreation and Parks: Historical Data. February 23, 2006. Email on file with Committee on Military & Veteran Affairs.

² ib id.

³ Communication with Bruce Deterding, Legislative Affairs Division of Recreation and Parks. February 22, 2006. Email on file with Committee on Military & Veteran Affairs.

⁴ Department of Environmental Protection. Draft Bill Analysis 2006: HB 1007. March 10, 2006. On file with Committee on Military & Veteran Affairs.

⁵ Conversation with Bruce Deterding, Legislative Affairs Division of Recreation and Parks. March 10, 2006.

C. SECTION DIRECTORY:

Section 1. Creates an undesignated section in the law that allows active members of the FNG, and their spouses and minor children, to gain entry to a state park without paying the admission fee.

Section 2. Provides that this act shall take effect July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The potential loss to the Division of Recreation and Parks, using a simple average method, is approximately \$100,621 if every FNG individual or family generated four carloads a year.

The state may lose an indeterminate and minimal amount of sales tax from lost annual pass sales (\$5.80 per family annual pass and \$3.40 per individual annual pass).

Considering, however that the "unwritten policy" does exist, the actual revenue impact could be considerably lower.

The Division estimates a revenue impact of \$1.2 million⁶. However, they assumed that the current FNG strength was 15,000 and that each FNG would be equivalent to the loss of the \$80 family annual pass. Demographic analysis shows approximately 57.7% of FNG members have family responsibilities, so the remaining 42.3% would be more likely to purchase the \$40 individual annual pass under the Division's assumptions.

2. Expenditures:

There are no known or expected fiscal impacts on state government expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There are no known or expected fiscal impacts on local government revenues.

2. Expenditures:

There are no known or expected fiscal impacts on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

A family of an active FNG member could save \$85.80 (sales tax included) per year if they normally purchased an annual pass, or they could save \$3, \$4, or \$5 per visit, depending on the park, if they were not on an annual plan.

An active FNG individual could save \$43.40 (sales tax included) per year if they normally purchased an annual pass, or they could save \$3, \$4, or \$5 per visit, depending on the park, if they were not on an annual plan.

D. FISCAL COMMENTS:

⁶ Department of Environmental Protection. Draft Bill Analysis 2006: HB 1007. March 10, 2006. On file with Committee on Military & Veteran Affairs.

Some assumptions are necessary to calculate the \$100,621 fiscal impact on the Division's revenue. Staff assumes that:

- The unwritten policy does not exist; and
- The average revenue per visitor is \$2.13, which was calculated by dividing total revenue (\$36,766,200) in 2004-2005 by total visitors (17,296,273) in 2004-2005; and
- The number of unique FNG carloads corresponds to the current strength of the FNG (11,810⁷); and
- Each unique carload visits a state park four times in a year; and
- The percent of annual passes is negligible to the calculations, since if all 31,900 annual pass visitors made 20 trips (approximate number of trips necessary to gain full value of pass cost) to the parks that would only be about 3% of the total 17.3 million visitors.

Therefore, the number of unique carloads multiplied by four visits in a year multiplied by the average revenue per visitor equals approximately \$100,621⁸.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

There do not appear to be any constitutional issues with this bill.

B. RULE-MAKING AUTHORITY:

This bill does not appear to grant any rule-making authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

Not Applicable.

⁷ Conversation with Glenn Sutphin, Legislative Director Florida Department of Military Affairs. January 12, 2006.

⁸ (11,810 x 4 x \$2.13)