

OFFICE OF FISCAL ANALYSIS

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HB-5205

AN ACT CONCERNING VETERANS AND THE PASSPORT TO THE
PARKS MOTOR VEHICLE REGISTRATION FEE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Energy and Environmental Protection	Passport to Parks - Revenue Loss	700,000- 1,400,000	700,000- 1,400,000

Municipal Impact: None

Explanation

The bill exempts veterans from paying the motor vehicle registration fee associated with the Passport to Parks program, which is expected to result in an estimated revenue loss to the program's account of \$700,000 to \$1.4 million annually beginning in FY 24. The bill's revenue loss is dependent on the number of veterans and the average number of motor vehicles registered by a veteran.

There are an estimated 140,687 veterans in the state; however, it is not known how many have registered a motor vehicle. Assuming each veteran has one registered motor vehicle on average and shows documentation of veteran status at registration, the revenue loss under the bill would be \$703,435 annually, while if every veteran registers two cars in their name on average, the annualized revenue loss would be \$1,406,870. The magnitude of the revenue loss associated with exempting veterans from the annual \$5 Passport to Parks registration fee could vary widely if the average number of registered vehicles for a veteran is greater or less than anticipated.

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The Passport to Parks account funds: (1) the operation and maintenance of state parks and campgrounds by the Department of Energy and Environmental Protection (DEEP); and (2) expenses of the Council on Environmental Quality (CEQ). The account's annual revenue averaged \$23.7 million over the most recent three fiscal years, while collections associated with motor vehicle registrations averaged \$19.4 million during the same period.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of veterans who are exempt from remitting vehicle registration fees to the Passport to Parks program and the average number of vehicles registered per veteran.