

# ESTABLISHES \$18 ANNUAL VEHICLE LICENSE SURCHARGE TO HELP FUND STATE PARKS AND WILDLIFE PROGRAMS. GRANTS SURCHARGED VEHICLES FREE ADMISSION TO ALL STATE PARKS. INITIATIVE STATUTE.

## OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

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- Requires deposit of surcharge revenue in a new trust fund and requires that trust funds be used solely to operate, maintain and repair state parks and to protect wildlife and natural resources.
- Exempts commercial vehicles, trailers and trailer coaches from the surcharge.
- Requires annual audit by the State Auditor and review by a citizens oversight committee.

#### Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- Increased state revenues of about \$500 million annually from an annual surcharge on vehicle registrations.
- New revenues would be used to offset about \$50 million loss of park day-use fee revenues, and could be used to replace up to \$200 million annually from existing state funds currently spent on state parks and wildlife conservation programs.
- **Increased funding for state parks and wildlife conservation of at least \$250 million annually.**

## ANALYSIS BY THE LEGISLATIVE ANALYST

### BACKGROUND

***The State Park System and State Wildlife Conservation Agencies.*** California has 278 state parks, of which 246 are operated and maintained by the California Department of Parks and Recreation (DPR) and 32 by local entities. Other state departments, such as the Department of Fish and Game (DFG) and various state conservancies, own and maintain other lands for wildlife conservation purposes. The State Wildlife Conservation Board acquires property and provides grants for property acquisition to state and local entities for wildlife conservation purposes. The Ocean Protection Council is a state agency responsible for coordinating state activities to protect ocean resources.

***Funding for State Parks and Wildlife Conservation.*** Over the last five years, state funding for the operation of state parks has been around \$300 million annually. Of this amount, about \$150 million has come from the General Fund, with the balance coming largely from park user fees (such as admission, camping, and other

use fees) and state gasoline tax revenues. The development of new state parks and capital improvements to existing parks are largely funded from bond funds that have been approved in the past by voters. There is a significant backlog of maintenance projects in state parks, which have no dedicated annual funding source. The DPR also administers grant programs for local parks, funded largely through bond funds.

Wildlife conservation programs in various other state departments, such as DFG, are funded through a combination of the General Fund, regulatory fees, and bond funds. State funding for wildlife conservation program operations is around \$100 million per year. Bond funds are the primary funding source for land acquisitions and other capital projects for wildlife conservation purposes.

***Annual Vehicle Registration Fees.*** The state collects a number of charges annually when a person registers a vehicle. The Department of Motor Vehicles (DMV) collects these revenues on behalf of the state.

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ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

## PROPOSAL

***Imposition of an \$18 Surcharge on Vehicle Registrations.*** This measure places an \$18 annual surcharge on all vehicles registered on or after January 1, 2011, except for commercial vehicles, trailers, and trailer coaches. The surcharge would be collected when annual vehicle registration fees are paid. These surcharge revenues would be deposited into the newly created State Parks and Wildlife Conservation Trust Fund. The measure expressly prohibits these funds from being used for purposes other than state parks and wildlife conservation.

***Free Day-Use Entry to All State Parks for Surcharge Payers.*** Typically, most state parks charge a vehicle day-use fee that covers entry into the park and parking. Currently, this single fee is in the range of \$5 to \$15 per day depending on the park and the time of year. Under this measure, all California vehicles subject to the surcharge

would have free vehicle admission, parking, and day-use at all units of the state parks system, including state parks currently operated by local entities, as well as to other specified state lands and wildlife areas. State parks would still be able to charge fees for camping, tours, and other activities.

***Allocation of Funds.*** This measure allows up to 1 percent of the revenues deposited into the trust fund to be used for certain administrative and oversight activities, discussed further below. The remaining funds in the trust fund would be allocated each year, upon appropriation by the Legislature, to various park and wildlife conservation-related programmatic purposes. As shown in Figure 1, these surcharge revenues would be allocated as follows:

- ***Operations, Maintenance, and Development of State Parks.*** Eighty-five percent of the funds would be allocated to DPR for the operations, maintenance, and

**Figure 1**

### **Proposition 21: Allocation of Surcharge Revenues Among State Parks and Wildlife Programs**

(In Millions)

Purpose	Allocation	Estimate of Annual Funding
<b>Operations, Maintenance, and Development of State Parks:</b>		
• General state park funding	76%	\$375
• Grants to local agencies for lost fee revenue	5	25
• Grants for urban river parkways	4	20
Subtotals	(85%)	(\$420)
<b>Wildlife Conservation Activities:</b>		
• Management and operation of Department of Fish and Game lands	7%	\$35
• Ocean Protection Council	4	20
• State land conservancies	2	10
• Wildlife Conservation Fund	2	10
Subtotals	(15%)	(\$75)
<b>Totals, Allocations to State Parks and Wildlife Programs</b>	<b>100%</b>	<b>\$495</b>
<b>Administration and Oversight<sup>a</sup></b>	—	\$5
<b>Total Allocations</b>		<b>\$500</b>

<sup>a</sup> One percent of total revenues from the surcharge would be allocated for administration costs in the Department of Motor Vehicles, the Bureau of State Audits, and the Natural Resources Agency.

development of the state parks system. From this amount, the department would award grants to local entities to replace the loss of day-use fees at locally operated state park units. (As we discuss below, some fee revenues would no longer be collected because this measure would now allow certain vehicles free access to these parks.) From this amount, the department would also provide grants to public agencies for urban river parkways to provide recreational benefits to underserved urban communities. The measure requires DPR to develop a strategic plan to improve access to the state parks system for underserved groups and regions of the state.

- ***Management and Operation of DFG Lands.*** Seven percent of the funds would be allocated to DFG for the management and operation of wildlife refuges, ecological reserves, and other DFG lands.
- ***Other Wildlife Conservation Activities.*** Additional funds would be allocated to other wildlife conservation activities, in some cases for state-operated programs but in other cases for grants to local agencies. Four percent would be allocated to the Ocean Protection Council, 2 percent to state conservancies, and 2 percent to the Wildlife Conservation Board.

***Administration and Oversight.*** As discussed above, this measure allows for up to 1 percent of annual revenues to be used for collection, administration, auditing, and oversight of the trust fund. The DMV would collect the surcharge and would deposit it into the trust fund. The measure requires the State Auditor to conduct annual audits of expenditures from the fund to be reported to the Legislature and made publicly available. It also directs the Secretary for Natural Resources to establish a Citizens Oversight Committee that would review the audits and issue

reports on how the measure is being implemented and its effectiveness in protecting state parks and natural resources.

## FISCAL EFFECTS

***New State Revenues.*** The \$18 surcharge established by this measure would generate about \$500 million in revenues annually for the trust fund. This amount would grow in line with any increases in the number of annual vehicle registrations.

***Net Increase in Funding for State Parks and Wildlife Conservation.*** The \$500 million in annual revenues from the \$18 surcharge is a new source of funds for state parks and wildlife conservation. However, not all of these monies would have to be used to expand programs and carry out new projects. A portion of these new revenues could be used instead to take the place of existing funds, such as monies from the General Fund, currently used for the support of parks and wildlife conservation activities. The savings to the General Fund and other special funds could be as much as \$200 million annually. Also, since all California vehicles subject to the surcharge would receive free day-use entry to state parks, revenues from day-use fees at state parks (including those operated by local governments) would decline by an estimated \$50 million annually.

Accounting for all of these factors, the *net* increase in funding for state parks and wildlife conservation programs would probably be at least \$250 million annually. A majority of this amount would go to state parks and could be used to address the significant deferred maintenance in state parks or to develop and enhance existing park programs. The remainder of the new funding would be available to enhance the management of state lands for wildlife conservation purposes and for new wildlife habitat restoration projects (for example, marine habitat protection).

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**ANALYSIS BY THE LEGISLATIVE ANALYST**

**CONTINUED**

In addition, state parks may receive additional revenues from other types of park fees, such as from tours, camping, and park concessions. That

is because the elimination under this measure of day-use fees would result in a larger number of visits to park facilities.