

JLBC Fiscal Note

BILL # HB 2165

TITLE: veterans; state park fees; exemption

SPONSOR: Diaz

PREPARED BY: Nate Belcher

STATUS: As Amended by Senate ATT

Description

HB 2165 would exempt retired veterans (including retired members of the National Guard) and veterans or National Guard members with service-connected disabilities from paying admissions fees at state parks. The exemption applies to everyone in the same vehicle as the eligible person occupants or for an additional 3 persons at sites that charge by person.

Estimated Impact

We estimate that the bill would result in decreased annual revenues to the State Parks Revenue Fund (SPRF) of at least \$200,000 from day passes and annual passes that would have otherwise been purchased by those Arizona residents eligible for free admission under the bill beginning in FY 2027. We anticipate additional revenue losses from eligible veterans residing in other states that cannot be determined in advance. The bill would not impact the General Fund.

Arizona State Parks and Trails (ASPT) plans to provide an updated cost estimate for the amended bill.

Analysis

Our estimate assumes the following:

- 1) Currently, a day pass costs \$10 for 1 person, or \$20 for a vehicle (with 2-4 persons) at most parks with no charge for children under 6. Arizona State Parks and Trails (ASPT) sells annual passes for \$200 that allow entry to all state parks for up to 4 people. ASPT provides discounted or free day passes that allow entry for a qualified veteran and up to 3 accompanied adults as follows: 1) Half-price day pass for a retired veteran or a veteran with a service-connected disability rated less than 100%; 2) Free day pass for veteran with a 100% service-connected disability.
- 2) The U.S. Census estimates Arizona's adult population is 5,513,138.
- 3) Based on U.S. Veteran Affairs data, there are 35,714 veterans, or 0.6% of Arizona's adult population, with a 100% service disability rating that can already receive free day passes.
- 4) We anticipate that Arizona veterans with a service disability rating other than 100% or with military retirement account for 2.8% of park visitors:
 - o 2.1% of Arizona's adult population are veterans with a service-connected disability rating lower than 100% per Veterans Administration data.
 - o 0.7% of Arizona's adult population are non-disabled military retirees per federal data.
- 5) These rates include National Guard veterans with military retirement and/or a service-disability rating. Federal data on retirement and service-connected disability ratings do not delineate the National Guard as a stand-alone category (and typically combines them with reserve forces).
- 6) We anticipate lost revenue of \$(130,800) based on ASPT's projected revenue of \$9,342,000 in FY 2026 from Arizona residents. Assuming 2.8% of revenue is generated from military retirees or veterans with a service disability rating lower than a 100%, these visitors account for \$261,600 of total collections. To adjust for the availability of half-priced day use passes, we assume a loss of half this amount, or \$(130,800), under the bill.
- 7) ASPT collected \$2,287,600 for annual passes in FY 2025. The reduction of (2.8)% of this revenue would account for a loss of \$(64,100).
- 8) Adding the \$(130,800) of reduced day pass revenue and the \$(64,100) of reduced annual pass revenue, we reach a final estimated revenue loss of \$(194,900) per year from Arizona residents, which we round to \$(200,000).
- 9) We anticipate additional lost revenue from non-resident veterans currently eligible for half-price passes, but we do not have enough data to calculate the impact.
- 10) ASPT raised the fee rates for both day and annual passes on Feb. 25, 2025. For this reason, we anticipate that the revenue loss may be higher than the above estimate.
- 11) The bill describes exemption from admission fees so there may be additional revenue losses if this includes fees other than day use passes.