

1999 SENATE GOVERNMENT AND VETERANS AFFAIRS
SB 2082

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2082

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date January 15, 1999

Tape Number	Side A	Side B	Meter #
1		X	560-4135
2/4 2		X	791-1714
Committee Clerk Signature <i>Jane A. Raib</i>			

Minutes: CHAIRMAN KREBSBACH opened the hearing on SB 2082 which is a bill relating to fees for annual and daily state park permits and senior citizen discounts. Appearing before the committee to explain the proposed legislation was DOUG PRCHAL, Director of the North Dakota Parks and Recreation Department. A copy of his written testimony is attached. There was some discussion of fees that are being proposed and what affect if any they may have on park visitation. Questions regarding this area of concern were offered by SENATORS W. STENEHJEM, THANE, and, DEMERS. There were no other questions offered for MR. PRCHAL. Also showing an interest in this piece of legislation was TRACY POTTER, Director of the FORT ABRAHAM LINCOLN FOUNDATION. A copy of his written testimony is also attached. There was no further testimony offered in support of, neutral position on, or opposition to SB 2082. CHAIRMAN KREBSBACH closed the hearing on SB 2082.

January 21,1999-Tape 1, Side A, Meter #'s 2130-3083---CHAIRMAN KREBSBACH indicated

to the committee that she had received a letter from Mr. Doug Prchal, who had testified before the committee concerning this bill. A copy of the letter was given to each committee member and they took some time to review its contents. SENATOR THANE indicated that in his observation apparently the amendment was directed more for the benefit of Fort Abraham Lincoln State Park. SENATOR KREBSBACH noted that they would like to be able to be able to assess fees direct and according to the assistant Attorney General's opinion this does not provide options for fee collection, according to Mr. Prchal's information. They however, can and do enter into contracts with them for administrative purposes. SENATOR STENEHJEM indicated that it appears that MR. PRCHAL doesn't seem to like the Potter amendment very much. SENATOR THANE concurred with that observation. SENATOR STENEHJEM indicated that he wondered if he were correct in that what Mr. Potter wanted was that you would go into FORT LINCOLN STATE PARK, pay one fee, and that would cover both the Custer House and the rest of the park. CHAIRMAN KREBSBACH indicated that that is what they do currently, she believes. SENATOR STENEHJEM said he thought that at present you paid your fee to get into the park and then were charged a separate fee if you wished to tour the Custer House. CHAIRMAN KREBSBACH indicated that that was correct. Mr. Potter wishes not to do that. SENATOR STENEHJEM'S questions is, what about those people who wish to go only to the park and not enter the Custer House. They would have to pay the whole thing even if they were not interested in going into the house. SENATOR KREBSBACH indicated unless there were some way to give them a special coupon or ticket or something for the Custer House at the time. I don't know if that would be possible. SENATOR WARDNER indicated that he thought that they would almost have to separate the two. He indicated that he understood both sides of

the argument here. If I were a customer, I came in there, I pay to get in the park, I go to the Custer House and I have to pay again, I'm going to be a little bit irritated. But, on the other hand, Doug's point is taken too that I don't want to go to the Custer House, I want to go just into the park. I think it could be separated, but I don't know. SENATOR DEMERS indicated that she was rereading the amendment and thinks that that would allow for that separation when you read the second sentence. This may include per person or per vehicle fees, other than those already established. SENATOR THANE indicated that the amendment is purely permissive. It doesn't say they have to do anything. They can just ignore it because it doesn't really have any teeth in it. SENATOR STENEHJEM indicated that he thought also that they could set the fees at Fort Lincoln at whatever rate they wanted to event though everybody else is limited by law.

SENATOR STENEHJEM indicated that he would like to help the Fort Lincoln Foundation and the Custer House people out, however, he didn't think they had everything worked out, with either Parks and Rec., who don't seem too excited about this; I wonder maybe if they shouldn't sort it out. SENATOR KREBSBACH indicated that perhaps the committee should give this proposed legislation some more thought. Perhaps by waiting it could be better sorted out and turned into a better piece of legislation. SENATOR KILZER indicated that he agreed with SENATOR WARDNER and that perhaps the three or four dollars at the Park should be pretty universal and if you wanted to purchase a coupon for five dollars to get you into the Custer House at the same time that's okay too. SENATOR KREBSBACH indicated that that was she would see it working, because it's an additional fee for an additional event, place, or whatever we call it. SENATOR KILZER and it keeps the universal park fee at once price all over the state by everybody. SENATOR DEMERS wondered if the director can't already do that as per number

2. The director may exempt all or any part of any state park, state recreational area or reserve from the requirement of a motor vehicle permit fee. So, doesn't that say if he wanted to exempt the Custer House that that could be done? SENATOR KREBSBACH indicated that she believed to exempt it would be fine, but she thought what the foundation was looking for was the added dollars of revenue. They are looking for the added dollars because that's what they use for their operation. She believes that she likes the idea of the additional fee, but at that time concept. They could also have them at the house for sale if somebody wanted one as they do now, however they would rather have them collected at the gate. SENATOR STENEHJEM indicated they would rather have everybody, I think, who comes into the park have to buy a Custer House ticket. SENATOR KREBSBACH again indicated that perhaps the committee should see if it can get some more resolution on this bill before it takes any action.

FEBRUARY 4, 1999, Tape 2, Side B, Meter #'s 791-1714

Discussion was held.

SENATOR WARDNER made a motion for a DO PASS on SB 2082, seconded by SENATOR Kilzer. Comments were offered by Senators DEMERS and MUTZENBERGER.

Other comments on the bill were offered by SENATOR WARDNER.

ROLL CALL VOTE indicated 5 YEAS, 1 NAY, and 1 ABSENT or NOT VOTING.

SENATOR MUTZENBERGER will carry the bill.

FISCAL NOTE

JAN 4 1999

(Return original and 10 copies)

Bill/Resolution No.: SB 2082 Amendment to: _____

Requested by Legislative Council Date of Request: 12-30-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: We estimate generation of approximately \$120,000 additional dollars in revenues. We estimate to save \$1000/year in printing costs. These revenues/expenditures will affect only special funds, more specifically the Department park operating fund. Increases are on par with surrounding states.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	None		+120,000			+150,000
Expenditures:	None		- 1,000			None

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: None
- b. For the 1999-2001 biennium: Included in budget recommendation
- c. For the 2001-03 biennium: None

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
	None			None			None	

If additional space is needed, attach a supplemental sheet.

Signed Dorothy Streyle

Typed Name Dorothy Streyle

Date Prepared: 1/2/99

Department Parks & Recreation

Phone Number 328-5360

Date: 2/04/99
Roll Call Vote #:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2082

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Wardner Seconded By Sen. Kilzer

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM					
SENATOR THANE	✓				
SENATOR DEMERS		✓			
SENATOR MUTZENBERGER	✓				

Total (Yes) 5 No 1

Absent 1

Floor Assignment Sen. Mutzenberger

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 8, 1999 8:51 a.m.

Module No: SR-25-2125
Carrier: Mutzenberger
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2082: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO PASS** (5 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2082
was placed on the Eleventh order on the calendar.

1999 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2082

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2082

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3-4-1999

Tape Number	Side A	Side B	Meter #
1	X		0.6 - 26.9
1		X	34.7 - 40.8
Committee Clerk Signature <i>James J. McWellbourn</i>			

Minutes: Some of the individuals testifying submit written testimony. When noted please refer to it for more detailed information.

Representative Klein, Chairman of the GVA Committee opened the hearing on March 4, 1999.

Summary of the Bill: Relating to fees for annual and daily state park permits and senior citizen discounts. Also, relating to state park entrance permits for senior citizens.

Testimony in Favor:

Doug Prchal, ND Parks and Recreation submitted written testimony to the committee which he read in it's entirety (**please refer to his testimony**).

Representative Klein, Do you have any idea of how many vehicles enter the park system in a year?

Prchal, Approximately 250,000.

Representative Klein, One vehicle permit is good for all the state parks? On line 22 and 23 it says the director may authorize a discount of annual permits. Are we giving the director some broad authority that he currently doesn't have?

Prchal, Yes one permit/vehicle. As I recall the 95 legislature changed the statute to allow the director to make decisions to work with the passport discount.

Representative Klein, Section 2, what's the logic?

Prchal, This has been in the statute for quit a number of years. We watch this and it's not something that happens on a regular basis.

Representative Klemin, Annual fee increased 5 dollars in 1995? I go to the parks and I have to pay for two vehicles. The one that I am driving and the one I am towing. Why did you change this.

Prchal, If someone is charging you for the vehicle your towing, they shouldn't be and I would like to know about this. The permit is good for the mobile home and the vehicle your towing, but if you leave the park in the vehicle your towing, then you would be charged for that car/\$3.00.

Representative Klemin, I have been charged that fee ever since you changed it.

Prchal, It shouldn't be happening.

Representative Klemin, I also have the golden eagle pass for federal parks/buildings where you need to pay an entrance fee. Instead of using the plastic thing that we put on each vehicle, the golden eagle admits the person who has it plus his accompanying passengers. It's not tied to the vehicle, but the person going into the park. Why don't we do that?

Prchal, We use to do that and we found that those cards get passed around to friends and neighbors and overall there is a reduction in our revenue. Policing is difficult, but we do look at these type of things and our always open to new ideas.

Representative Thoreson, Is the age of 65 standard for being qualified as a senior and the discount.

Prchal, I am not sure of all the other states and how they do it.

Representative Haas, I am looking at the section that you are talking about repealing. There is an erosion of the percentage of discount to the seniors. Maybe we should keep the percentages closer than the dollar amounts. Instead of just working with the dollars.

Prchal, That is certainly a consideration.

Representative Kroeber, Were you able to absorb the costs at Graham Island in your budget?

Prchal, We have had help from other agencies and organizations.

Representative Cleary, I think the seniors get a lot of perks and maybe we should look at the family who has three children would deserve a break more so. So I don't think the 5 dollars is out of line.

Representative Winrich, There's a fiscal note and it indicates some revenue. Is any of your budget supported by general funds? Have you ever considered a higher fee for out of state residence?

Prchal, Yes it is. We have not considered that because we want to promote our parks and let them spend their money in the communities. Our out of state usage is 32% and our in state usage is 68%.

Representative Metcalf, Is the increase necessary to sustain the maintenance level or to provide for better maintenance? And have you ever thought about a one time fee/life time membership?

Prchal, Were at a level of about 70% of what we need to do. What this increase will do is give us some recovery of inflation costs for crews and supplies. It will give us a few more dollars to keep pace and hopefully some improvement. Yes, we have thought about the life time membership.

Testimony in Opposition: None.

Representative Klein, Closed the hearing on SB 2082.

Committee Action:

Representative Thoreson, Made the motion for a Do Pass.

Representative Cleary, Seconded the motion.

Representative Klemin, What would be the problem with putting one word in line 8 that says an "occupied motor vehicle".

Representative Klein, Typically they have guidelines and rules. I would rather leave them that leeway.

Representative Klemin, But it isn't just me that has been getting charged this extra fee. We have a lot of non resident tourist that are going through the state that are driving a mobile home and pulling an extra vehicle. They don't have the same opportunity as I do to come in and try and get reimbursed.

Representative Klein, The standard needs to be applied all over. He needs to educate his people.

Representative Thoreson, We could change that, but it says authorized by the director. The director can do this by rule and would think that this would take care of this issue.

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House Government and Veterans Affairs Committee

Bill/Resolution Number SB 2082

Hearing Date 3-4-1999

Representative Haas, It's a matter of departmental policy and he made it clear that it's not their policy to do that.

Motion Passes: Do Pass **13-1-0**.

Representative Cleary, Is the carrier for the bill.

Roll Call Vote #: 1 Date: 3-4-99

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2082

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By THORESON Seconded By CLEARY

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH	✓	
VICE-CHAIR KLINISKE	✓				
REP. BREKKE	✓				
REP. CLEARY	✓				
REP. DEVLIN		✓			
REP. FAIRFIELD	✓				
REP. GORDER					
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER	✓				
REP. METCALF	✓				
REP. THORESON	✓				

Total (Yes) 13 No 1

Absent 1

Floor Assignment CLEARY

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 4, 1999 11:10 a.m.

Module No: HR-39-4009
Carrier: Cleary
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2082: Government and Veterans Affairs Committee (Rep. Klein, Chairman)
recommends **DO PASS** (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2082
was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2082

**SENATE BILL 2082
SENATE GOVERNMENT AND VETERANS AFFAIRS
MISSOURI RIVER ROOM
FRIDAY, JANUARY 15, 1999 - 10:30 AM**

Madam Chairman and members of the Senate Government and Veterans Affairs Committee, I am Doug Prchal, Director of the North Dakota Parks and Recreation Department. I appear before you to present testimony in support of Senate Bill 2082.

The bill before you contains three components: a one dollar increase in the daily vehicle permit, a housekeeping matter to update department statutes, and finally an increase in the park annual transferable passport related to increasing the daily.

This bill is introduced as a companion to our budget as a means to generate revenues for assisting in park operations. The 1999-2001 budget includes a challenge increasing the parks program revenues by \$150,000. The projected revenue from the proposed increases is estimated to be \$120,000. The balance of our revenue goal is intended to be collected from camping fees and rentals.

Our daily park permit has been held at \$3 per vehicle since 1989. Over the past decade we have held that fee static while we have increased camping and rental fees according to market rates. It is for these reasons and the revenue challenge that the \$1 fee hike is being presented. Data from past surveys and public forums show visitor support for fee increases when the dollars are put into park operations. Data attached to this testimony provides an overview of adjoining state and regional permit fees. As you reference those, you will find our proposed \$1 increase remains one dollar behind some surrounding states and \$2 behind others. In our own state, the International Peace Garden charges a \$7 fee per vehicle per day. Statistics from their customers indicate an 80% agreement that the charge is commensurate with the value. All the revenue generated at the entrance to the Peace Garden is used to offset their costs.

The increased daily fee of \$1 provides value for the services provided. The entrance fee provides necessary revenue for staff and equipment to maintain a clean and safe park system. Many of our visitor comment cards show a high priority placed on clean and neat grounds and facilities. This increase provides that assurance. Visitor profile statistics show an average of 3.5 people per vehicle. At a rate of \$4/car, the cost for a day visit in the state park system averages \$1.15 per person. Movies, by comparison cost \$4 to \$6 for a two hour event. Bowling costs two to three dollars per game with a game lasting maybe an hour.

The annual passport is our value permit for those return visitors to the park system. An annual pass grants the user entrance into any of the state parks all year long for as many return trips as they choose. As we are proposing to increase the daily fee, we feel the annual passport should be raised to distribute the revenue stream over all users rather than improve the value to annual permit holders. Although we sell an

average of 6200 annual passes per season the daily entrance fee accounts for the majority of entrance revenue. An increase of \$5 is being proposed and this increase, by reference to the data sheet attached, again shows North Dakota, at the proposed fee of \$25 at par or lower than surrounding states. I must inform you, our annual permit is a vinyl transferable permit. This means users can move it to any of their registered family vehicles as opposed to many states that have fixed permits and require one permit per vehicle. We feel this proposed fee increase is acceptable and still retains a value to our customers. A visitor survey completed this past season indicated an average of 7.5 return visits to a state park per season. Using that data, visitors who return seven and one half times would pay \$30 for day passes at the \$4 fee. At the current \$3 daily rate and a \$20 annual, the savings average on the 7.5 returns is merely \$1.50.

Finally, the housekeeping component of this bill has to do with rescinding the Senior Passport statute. Currently, state law requires our department to print a separate Senior Citizen Passport. This pass may be sold at a discount to North Dakota residents ages 65 or older. We would like to eliminate the need to print a separate permit just for seniors. Instead, we propose to give our seniors a discount on our regular annual entrance permit. That change will save us nearly \$1,000 per year in printing. Currently we sell 1,600 Senior Passports per year, in comparison to 6,200 regular annual passes. The current Senior Passport costs \$15 and our proposal is to raise that fee to \$20 in accord with increasing the annual to \$25. This change still retains a \$5 discount.

Fee increases generally are accepted by park users when it is known that those dollars are retained by the park system to cover costs that maintain or improve the quality of facilities. Removing the Senior Passport language updates our statutes and provides savings for supporting existing programs. I ask for your favorable vote on this legislation. Approving this increase provides the revenue needed to maintain the quality of our park system. Approval will allow the department to maintain the 92% satisfaction rating recently received in our 1998 visitor survey. I will be pleased to answer any questions.

State Parks

Visitation—An estimated 1,059,038 people visited North Dakota's major state parks in 1998, up over 3 percent from the 1,027,517 people who visited in 1997. Contributing to the increase was the re-opening of Grahams Island State Park, which was closed for most of the summer in 1997; completion of the Highway 1806 road construction project which affected Ft. Abraham Lincoln State Park's 1997 visitation; and exceptional visitation to Lake Sakakawea and Ft. Stevenson state parks.

In contrast, campsite use in 1998 was down 4 percent, from 44,039 campsites rented in 1997, to 42,265 rented in 1998. One reason for the decline was the hot, muggy weather during the summer of 1998.

Revenue—Revenues for the first 18 months of the biennium were about \$75,000 above projections. By the end of the calendar year 1998, the department reached 92 percent of its biennium goal of \$1,350,000 in revenue. The lake parks of Sakakawea and Ft. Stevenson noticed the largest increases.

Campsite Reservations—For the fifth year, Advantage Line, a private telemarketing firm based in Williston, managed the campground reservation system for 12 state parks. About a quarter of all campsites in the park system were available for those wishing to reserve a site in advance.

Reservations for 1998 totaled 3,156, representing 8,599 camping nights during the peak season from Victoria Day weekend through Labor Day. The number of reservations was up about 14 percent from 1997.

Canadian Visitation—Use of North Dakota's northern-most state parks by Canadians continued its downward slide due to the Canadian/US exchange rate, which was nearly 40 percent this past year. At Icelandic State Park near Cavalier, Canadians accounted for 38 percent of the campground use, compared to 44 percent last year. Turtle River State Park, west of Grand Forks, reported Canadians accounted for 18 percent of its campground use, compared to 26 percent in 1997.

Lake Metigoshe Cabins—Renovations began on three cabins at Lake Metigoshe State Park. The cabins are located on the Boy Scout Land purchased by the department over a five-year period using a federal Land and Water Conservation Fund matching grant. Plans are to have the cabins completed by next summer. The year-round cabins have water, sewer, electricity and gas fireplaces and will be available for rent by park users by the day or week.

Entrance Stations—New entrance stations were installed at Ft. Abraham Lincoln, Lake Sakakawea and Ft. Stevenson state parks. The stations have heat and air, and are ADA accessible.

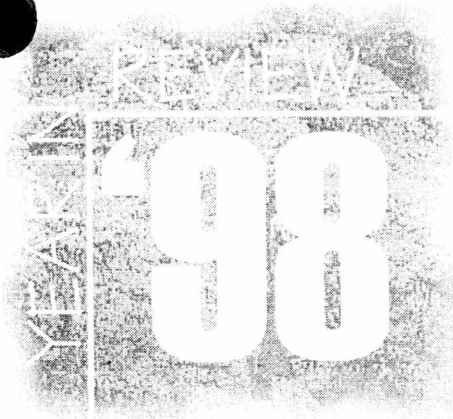
Flood Damage—For the first time in six years, the department had only one park with flood damage. Major damage to that park, Grahams Island, was to a sewer lift station and was estimated at \$43,000.

North Dakota Parks & Recreation Dept. Year-End Summary



Fishing derbies, such as the Governor's Cup and NAWA tournaments at Ft. Stevenson State Park, contributed to increased visitation at the lake parks.

Efficiency—The department increased from a 39 percent efficiency rating in 1997 to a 40 percent rating in 1998. The efficiency rating contrasts expenses to revenue.



Eroding Shoreline—In contrast to 1997, elevation of Lake Sakakawea remained stable. However, all three lake parks reported extensive erosion from the previous year's high water. At Lake Sakakawea State Park, significant damage was visible to the entire shoreline. Some areas, particularly in the northwest portion of the park, saw erosion in excess of 30 ft., and in places the erosion is beginning to encroach on park roads and the campground. Cutbanks throughout the park make access to the shoreline difficult. At Lewis and Clark, 50 ft. of land in the day use and primitive camping areas were lost due to erosion.

Risk Management Audits—Risk management audits were performed at Turtle River, Icelandic and Ft. Stevenson state parks. In addition, a waterfront liability survey was initiated by OMB and completed by the department and Game and Fish. Results are being compiled and should be available in 1999.



With the completion of the Ft. Abraham Lincoln bike trail, cyclists can now bike on a 30-plus mile trail that extends from north Bismarck, across the Missouri River, and south to the park.

Contract Management—The department signed a one-year contract with a private operator to manage Beaver Lake State Park. Four other small areas owned by the department are managed under a contract arrangement. They include Historic Elmwood managed by Heritage Village of Grafton; Sully Creek; Butte View managed by the City of Bowman; and Doyle Memorial, operated by the city of Wishek and the Wishek Park Board.

NAWA—The North American Walleye Anglers Pro/Am Tournament was held at Ft. Stevenson State Park and will return again next year.

New Programs & Initiatives

Strategic Plan—The department's Strategic Plan, developed in conjunction with Wolfe and Associates, was a major staff commitment for 1998. Meetings, interviews and discussions all resulted in completion of the plan in June. Issues, tactics, goals and objectives, along with a new mission statement, were identified and were used to aid in the development of the new budget.

International Peace Garden—An interim study to move the International Peace Garden from the State Historical Society to the State Parks Department was included in the 97-99 legislative language. Work began in 1998 to effect that relationship and legislation was drafted that will be introduced in the upcoming session.

Intranet—A department-wide intranet site was developed and went on line on December 1. The site will be used to improve department-wide communications, particularly between headquarters and field staff.

NatureShift—Work began on the NatureShift Program, a 5-year, \$5 million grant from the Department of Education to the Grand Forks Public Schools and Dakota Science Center. Turtle River State Park, as a partner in the program, will support efforts to maintain a "Ranger Rose" interactive web site about environmental education. The materials and resources are currently under development.

Centennial Trees—The parks planted 4,964 trees during 1998. During the last nine years, nearly 82,000 trees and shrubs have been planted as part of the parks' 10-year contribution to the Centennial Trees Project. To salute the program, the 1999 Annual Park Permit features a native trees design.

Cooperative Efforts

Ft. Abraham Lincoln Bike

Trail—The bike trail from Mandan to Ft. Abraham Lincoln State Park was completed in the fall. The trail is part of a 30-plus-mile system that allows riders to hop on the trail in northwest Bismarck, ride across the Expressway Bridge to Mandan, then head south to the park. The trail system is a joint city/county/state effort.

Ecological Surveys—Grant-funded ecological projects completed in 1998 included a tall grass prairie inventory in Richland and Ransom counties, funded by The Nature Conservancy and the US Fish and Wildlife Service; a tallgrass prairie inventory on waterfowl production areas near Devils Lake and Valley City, funded by USFWS; and a native prairie brochure, USFWS. The US Forest Service funded an ecological evaluation for a potential research natural area and continued to fund maintenance of the State-wide Biological Conservation Database and Data Transfer.

Ongoing grant projects include a tallgrass prairie inventory in Barnes and Sargent counties (Nature Conservancy, USFWS); Dakota Skipper habitat project (USFWS); Sheyenne National Grassland GIS database (US Forest Service); development of a Natural Heritage Program Biological Conservation Database (Nature Conservancy); and assistance on an orchid working group (USFWS).

Recreation & Grants

Prairie Rose State Games—

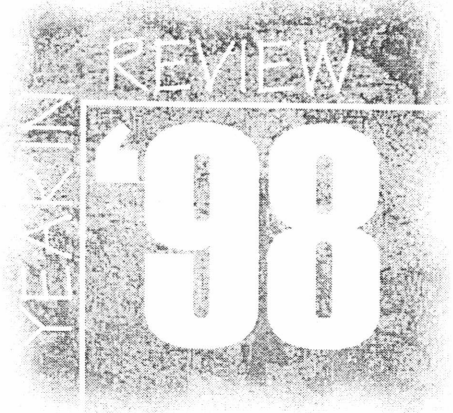
More than 5,900 athletes participated in 32 sports events during the 1998 Prairie Rose State Games, held July 9-11 in Fargo. It is estimated that participants spent about a million dollars in the community, which translates into a \$3 million gross business volume impact. In 1998, more than 75 percent of participants traveled from outside of Cass County, and the Fargo/Moorhead hotel industry reported a sold-out weekend.

This was the fourth year the Games was produced under a contract with a local organizing committee from the host city. The committee in Fargo was coordinated by the Fargo Park District. The local organizing committee headed fundraising, sport management and opening ceremony coordination and included representatives of the park district, CVB, West Acres Development and city and schools.

Recreational Trails Program--

Formerly known as the Symms program, funding for the Recreational Trails Program in 1998 was included in the new highway bill, Tea-21, rather than as a stand-alone program. The change meant guaranteed funding and a reduction in the matching fund requirement from 50 percent local match to only 20 percent local match needed.

North Dakota's FY98 allocation was \$335,000. Approved projects included a trail groomer purchased by Snowmobile North Dakota; trail construction projects on the Rendezvous Region Trail, Bismarck, Wahpeton and West Fargo park districts; US Forest Service purchase of self-closing gates on the Maah Daah Hey Trail; and trail enhancements at Sully Creek State Park.



The torch lighting is an exciting part of the Prairie Rose State Games Opening Ceremony.



North Country Trail—The eastern-most segment of the North Country National Scenic Trail was dedicated at Lake Sakakawea State Park. The 1.3 mile segment is open to hiking and winds through the most scenic areas of the park. It will be maintained by volunteers and park staff.

Scenic Byways--In its second year, this program approved two scenic byways, one within the Des Lacs Wildlife Refuge and the other on Highway 43 near St. John. The two routes will be included on the Year 2000 state highway map and bring the number of state scenic byways to five. The program is administered through a contract with the state Department of Transportation, which extends through June 2001.

Snowmobile Program--Snowmobile North Dakota manages the snowmobile safety and trails program, under a contract administered by the department. The 97/98 season was marked by warm weather and poor snow. Several trails did not open, while others were operational for only a portion of the season. To date, 18,374 snowmobiles have been registered during the biennium.

Promotion & Marketing

Media Relations--36 press releases, as well as numerous public service announcements, were sent to state media outlets to help publicize department activities and programs during the year. In addition, two issues of the department's constituency newspaper, *Discover*, were published and mailed to about 30,000 North Dakota households.

Annual Permits--The 1998 annual park permit and Senior Passport design emphasized North Dakota's "Discover the Spirit" slogan. The icon was also used on park t-shirts and sweatshirts sold in the parks' concession operations.

Rocky Mountain State Park Executives Meeting--The department hosted the annual meeting of the Rocky Mountain State Park Executives in Medora during the spring. Attending were state park department staff from Montana, Wyoming, Colorado, Idaho, Utah, North and South Dakota and Minnesota. Emphasis of the meeting was on cooperative programs among private, state and federal agencies.

Volunteers, Donations & Support Groups

Campground Host Program--21 couples volunteered to serve as campground hosts in ten state parks, putting in an estimated 8,000 hours of work. They performed a full range of duties, from greeting campers to painting and maintenance.

Volunteer Hours—In addition, park support groups, scouting troops and other volunteers worked about 16,400 hours in the parks. Together, work done by the Campground Hosts and other volunteers had a value of \$158,600 to the state park system.

Sodbusters—Members of the Ft. Ransom Sodbusters Association worked about 5,200 hours before, during and after the park's two Sodbuster Days events. The group constructed a log cabin and a blacksmith shop at the Sunne Farm site.

Ft. Stevenson Guardhouse—The Ft. Stevenson Foundation continues to work toward raising funds for the reconstruction of the old fort guardhouse. To date, \$40,000 has been raised for the project.

Pioneer Heritage Project—To date \$802,236 has been pledged or donated to Icelandic State Park's Pioneer Heritage Center Project (approx. \$30,000 in 1998). Slightly over \$372,500 is in trusts or endowments with income to be used for the project.

On-A-Slant Grant--On-A-Slant Village at Ft. Abraham Lincoln State Park will be the beneficiary of a \$250,000 federal grant. The money will be used to renovate and improve the Native American site in preparation for the upcoming Lewis and Clark Bicentennial celebration.

The grant, made on behalf of the park and the Ft. Abraham Lincoln Foundation, was in an appropriations bill signed in late October and will be funneled through the National Park Service.

Awards & Recognition

1998 Merit Awards—Receiving 1998 department merit awards for their work on a playground construction project at Cross Ranch State Park were **Gary Reimers**, **Shawn Kurle** and **Marc Brown**. **Jeff Quast**, information technology specialist, was honored for his work in meeting the department's computer technology needs. **Jesse Hanson**, planning and natural resources coordinator, was the recipient of a 1998 Merit Award for his leadership skills.

Governor Ed Schafer honored the department and eight employees in particular for their roles in the aftermath of the 1997 spring floods. The employees included **Chuck Erickson**, **Maureen Trnka**, **Dennis Jensen**, **Todd Haugen**, **Steve Crandall**, **Dan Schelske Jr.**, **Dick Horner** and **Jesse Hanson**.

Deb Lenzen, a volunteer at Ft. Stevenson State Park, was the recipient of a Special Merit Award for her work in organizing and running the park's Skydance Sakakawea Kite Festival. Also honored with the department's Special Merit Award was **Jim Fisher**, a long-time volunteer worker on the CANDISC Bike Ride which originates out of Ft. Stevenson State Park. Also at Ft. Stevenson, Park Ranger **Corey Erck** received the Garrison Chapter of the FFA Honorary Chapter degree.

1999 Park Fees

	Transferable Annual Permit	Non-Transferable Annual Permit	Daily Permit
Colorado	n/a	\$40/vehicle	\$4/vehicle
Kansas	n/a	\$30.50/vehicle	\$4.50/vehicle
Minnesota	n/a	\$20/vehicle	\$4/vehicle
Montana	n/a	Residents-\$20/vehicle Non-Residents-\$24/vehicle	\$4/vehicle
Nebraska	n/a	\$14/vehicle	\$2.50/vehicle
North Dakota	\$20/vehicle	n/a	\$3/vehicle
South Dakota	\$45/vehicle	\$20/vehicle	\$2/person Proposed change for 1999-- \$3/person or \$5/vehicle
Wyoming	n/a	Resident & Non-resident - \$25/vehicle Proposed change for 1999- Non-resident - \$50	Resident-\$2/vehicle Non-resident-\$3/vehicle Proposed change for 1999- Non-resident - \$5
All States - Mean (NASPD - 1997 AIX)		\$30.83/vehicle	\$3.14/vehicle \$2.24/person

12/17/98

Testimony of Tracy Potter, President and Executive Director of the Fort Abraham Lincoln Foundation in support of SB 2082

Parks are great for ND ... they have been forced to cut, ... a chance to restore some revenue. ... the value far beyond the price of admission ...

Ask your indulgence to let me talk a little about fees at Fort Lincoln. Prior to 1998, when a visitor came to Fort Lincoln, they could drive right up to the Commissary and pay a fee to visit the Custer House. That fee went, until 1996, entirely to the Fort Abraham Lincoln Foundation.

When visitors went to the park without going to the Custer House, fees were collected on an honor system, except for visitors to the campground. That booth was staffed. But for the Indian village or the blockhouses, a self-registration station was there. The \$3 daily vehicle fee was expected to be paid.

When the foundation's interpretive program expanded to include Barracks living history tours and guided tours of the On-a-Slant Mandan Indian village, that was in 1994, a new fee structure was created to help pay for those services ... many visitors came to the park and used the interpretive services other than the Custer House ... so a \$2 adult, \$1 student "summer history fee" was created. It was allowed under language authorizing the Parks Director to establish Pageant fees ... what we were doing was defined as an ongoing pageant. The self-registration stations came down and the summer history fee was split with the Parks Department on a scale that gave the department the bulk of the first dollars collected.

The revenue collected by that system wasn't really adequate for either organization. To sustain the guided tours of the village, FALF sought grant support and received it from the Tom and Frances Leach Foundation. They've been great.

Parks felt that it need additional revenue, so other methods of splitting entry fees were tried. In 1997, the foundation collected the Custer House and summer history fees and paid Parks \$0.41 per visitor.

Then, 1998 came. When the road into the park from the north slumped the previous year, we all saw the opportunity to better manage visitation. The only road in was from the south. A gate could be established and fees collected there. Both parks and the foundation saw the potential advantages.

However, we didn't quite see them in the same light.

The Department installed the booth and started charging each vehicle the daily pass **before** they got to the commissary or Custer House, or our nightly melodramas or trail rides. To limit the effects on our business out there, they dropped the \$0.41 requirement and grandfathered in the events that had been scheduled. For our part, we dropped the summer history fee, since all visitors were already paying ... though now the foundation received nothing from visitors who didn't go to the Custer House.

The effect on our revenue was significant. Parks reported a 24% increase in visitation at Fort

Lincoln. We saw a 1.5% increase in Custer House visitors, and a decrease in overall interpretive revenue ... a decrease from the worst year we'd ever had. 1997, was our year of construction and we needed to bounce back. We didn't.

A business oriented reaction might be to reduce our interpretive program and only offer Custer House tours. But we don't want to take backward steps. We want this place to have balanced interpretation and positively outrageous service. We'll put on a world class show, whether we lose money on it or not! (You can see on the enclosed just how much we lose)

Starting 13 months ago, when Parks announced their plans on fee collections, we have been in negotiations for a new lease. Our five year lease to conduct interpretive and concession activities at Fort Lincoln was set to expire January 1. It has been extended for 30 days while negotiations continue.

These negotiations have centered around fees and collections (although there are many side issues). Last October, we thought we had reached an agreement - it must have been a good agreement because no one was very happy about it - There would be a per person charge collected, \$4 per adult, \$2 per student, from everyone not carrying an annual parks pass or, like Sen. DeMers, a membership in FALF.

Parks would receive \$1 per adult and FALF would retain the rest. If there were 45,000 paying visitors, a big if, there would be enough revenue for each organization.

But legal questions dogged the deal. Parks received advice that the Billie case - the case that found it unconstitutional to require regulatory payments to be deposited directly into a private sector organization's bank account - the Billie case might call into question arrangements such as we had reached.

You will find enclosed a memo from Charles Carvell of the AG's office indicating three ways the constitutional question could be avoided.

You will also find a proposed amendment to 2082 dealing with one aspect of the legal question. What we are getting at here is that the code allows the director to allow another organization to charge fees other than the statutory ones...but it may not be defined as allowing him to charge fees other than the per vehicle charge in this bill. This amendment is only needed if the Parks Department needs to collect the fees, rather than allowing the foundation to do it.

Now, we seem to be in the closing days of negotiations on our lease. Maybe there are no legal impediments that need addressing by your committee or the legislature. But, if we determine, in our discussions with Parks, that some legal issue needs clarification ... needs legislation ... then, we didn't want to miss the boat. This bill might be the boat.

Your committee may determine after reviewing Carvell's memo that no legislation is needed. That would be fine. We are not seeking legislation to force any kind of agreement on the Department. We only want to insure that the Director has the legal authority to reach an agreement like this, if he so chooses.

FALF spending in support of Fort Lincoln State Park, 1998

Park operations	Park support	Park Improvements
Interp salary \$81,000	Advertising \$55,000	Maint. Trust \$ 8,000
Interp prog. 19,000	Support staff 40,000	Interior Furn. 11,000
Maintenance 22,000	Postg & supl 1,000	Reconst. activ 23,000
Utilities 10,000	Auditor 1,000	
Payroll tax 10,000	Payroll taxes 4,000	
Melodrama 1,000		
Insurance 4,000		
Events 5,000		
Printing 1,000		
 Subtotal \$153,000	 Subtotal \$101,000	 Subtotal \$42,000

Total spending in support of Fort Lincoln State Park by Fort Abraham Lincoln Foundation = **\$296,000**

The above includes, under support staff, portions of the salaries of foundation executive director, comptroller and secretary/receptionist, in relation to the portions of their jobs related to park marketing exhibits and interpretive programs. It **does not include** Commissary store staff or costs related to retail operations at Fort Lincoln State Park.

Revenue from Fort Lincoln State Park to Fort Abraham Lincoln Foundation, 1998

Interpretive fees	\$ 82,000
Commissary rentals	8,000
Melodrama tickets	6,000
Custer Christmas	5,000
Concessions	16,000
 Total income	 \$117,000

Net losses suffered by FALF in 1998 at Fort Lincoln State Park = \$179,000

Net losses are made up for by grants received, membership contributions, and, gaming revenues.

M E M O R A N D U M

TO: Doug Prchal, Dir., Parks & Recreation Dep't
FROM: Charles Carvell, Assistant Attorney General
DATE: January 13, 1999
RE: Ft. Abraham Lincoln

TC

The State Parks & Recreation Dep't and the Ft. Abraham Lincoln Foundation have been discussing cooperative administration of Ft. Lincoln State Park. These discussions have included the concept of park visitors paying a single fee that allows entrance to the park and all its facilities. There have also been discussions about the Foundation collecting the fee.

My colleague Carmen Miller has noted the potential problem this raises as a result of the Billey v. Stockmens decision, that is, the Foundation's collection and retention of entrance fees or other fees may conflict with the duty to deposit public money with the state treasurer. I agree with Carmen that collection and retention of fees by the Foundation implicates Billey. Even so, there are ways to comply with Billey should the Foundation and the Parks Dep't reach an agreement allowing the Foundation to collect fees.

If the Foundation were to do so, the first and perhaps best way to avoid Billey problems is to require that the money collected be regularly turned over to the Parks Dep't. The department would then deposit the money with the treasurer satisfying Billey. The agreement between the Foundation and the department allowing the Foundation to collect fees could further provide that the department is to pay the Foundation an amount tied to the amount collected, or based on some other formula. The result would be that the Foundation would be able to collect fees and would, in effect, be able to receive and use all or a part of the revenue collected. The agreement, however, should contain terms that ensure the Foundation spends the money in ways the state finds appropriate.

The Billey problem could also be addressed by legislation. Legislation could direct that money collected by the Foundation at the park be deposited with the state treasurer. The treasurer could be required to place it into a special fund. A continuing appropriation could then be made from that fund to the Foundation, or apportioned to both the Foundation and the

Parks Dep't. The constitutional duty to deposit with the state treasurer would be satisfied and the Foundation would still wind up with money to carry out management functions at the park. The Stockmen's Association hopes to address its Billey problem by creating a special fund with a continuing appropriation back to the Association. See Sen. Bills 2048 and 2187.

Both of these proposals create paperwork and accounting issues for the Foundation and Parks Dep't. But if the two entities are able to agree on an arrangement that gives a fee collection role to the Foundation, this can be accomplished without violating Billey.

Finally, Carmen has suggested that if a local entity manages a park an exception to Billey might be found because the money collected might no longer be for a "state-wide purpose," as Billey requires. Money that is not "public money" does not need to be deposited with the treasurer.

This rationale could be used at Ft. Lincoln. If the Parks Dep't transfers administration of the park to the Foundation the money collected by the Foundation might lose its status as "public money." The unique characteristics of Ft. Lincoln, however, make it unlike some of the small state parks at which the "local parks" exception might more readily apply. Consequently, it would be more difficult to apply to Ft. Lincoln the "local parks" exception to Billey.

Of these three suggestions, either legislation setting up a special fund for the Foundation or having the department deposit money collected by the Foundation are the better responses to Billey. Considering Ft. Abraham Lincoln a "local" park managed by a local entity is a more problematic response to Billey even if the Foundation has the primary management role.

cc: Tracy Potter, Ft. Abraham Lincoln Foundation

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Proposed amendment to SB 2082

Add to the bill in Section 1, under NDCC 55-08-06, a number 3, stating:

3. The director may establish, in lieu of a motor vehicle permit for entry to a state park, state recreational area, or reserve, fees appropriate to services provided. These may include per person or per vehicle fees at a rate other than those established by this Section.



North Dakota Parks & Recreation Department

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• Elmwood-Grafton

TO: Senator Krebsbach, Chair Senate GVA
FROM: Doug Prchal 
RE: SB 2082 Supplemental Information
DATE: January 19, 1999

The supplemental information requested by Senator's Stenehjem and Demers is provided as requested. Phone inquiries were made to each of the regional states regarding the question of oversight on raising entrance fees. In the majority of the states that authority rests with state legislators. South Dakota fees are governed by an appointed commission with a couple of state park areas historically governed by legislative action.

An overview of the history of our fee increases is attached for review. That history shows both daily entrance and annual pass activity. Each of the adjustments were done with challenges to generate additional revenue to cover operation expenses. The daily permit history has been less aggressive to provide an equitable access to our day users. The history of the annual permit shows a \$10 dollar increase from the period of 1975 to 1985. Correspondingly the next ten years shows an increase of \$5 and yes within the next five years an increase of another \$5, as proposed in SB 2082. Over the period of 15 years the annual would be increased by \$10. The annual pass increase, should it be approved, would not be imposed until 2000. We do not feel either of these fee increases are overly aggressive but rather commensurate with market and appropriate given the park operation needs. The value for a day in the state park system is a good one.

Along with this response to the above request the opportunity is taken to respond to the additional testimony and introduction of an amendment to SB 2082. Currently the department is collecting fees at Fort Abraham Lincoln and will continue to collect fees as is appropriate given management and administrative oversight of the property. The memo from the Assistant Attorney General does provide options for fee collection by other entities, however, any of the options create audit and administrative requirements of probable enormous scale. At present the department has the authority to enter into contract arrangements and, as deemed appropriate, disburse fees to the Fort Abraham Lincoln Foundation or other support groups for services rendered. The scenarios provided appear to complicate and encumber relationships.

Finally, the amendment does provide the agency more authority for assessing fees on a per person basis or for other extenuating circumstances. I am not requesting that authority. A per person fee has not been researched by the agency with regard to visitor acceptance. Taxpayers are accepting of fees for access to the state parks and to fees for special facilities like the Custer House. However, to charge a per person fee to all visitors at Fort Abraham Lincoln (\$4 adult and \$2 student) whether there is an interest in partaking of the historic or cultural events or facilities is cause for concern. These are valid concerns I have about this amendment. I am available to the committee for additional discussion on any of these matters.

History of Entrance Fee Legislation

Year	Senior Passport	Annual Permit	Daily Permit
1965 (Dept. Created)	Not Available	\$2	50 cents
1967			
1969			
1971		\$4	\$1
1973			
1975	Sr. Passport law enacted. Free to residents 60+.	\$5	
1977			
1979			
1981			
1983			
1985		\$15	\$2
1987			
1989			\$3
1991	Half of annual. Age raised to 65+.		
1995	Director may sell Passports "at a discount."	\$20	
1997			

**SENATE BILL 2082
HOUSE GOVERNMENT AND VETERANS AFFAIRS
FORT UNION ROOM
THURSDAY, MARCH 4, 1999 - 9:00 AM**

Mr. Chairman and members of the House Government and Veterans Affairs Committee, I am Doug Prchal, Director of the North Dakota Parks and Recreation Department. I appear before you to present testimony in support of Senate Bill 2082.

The bill before you contains three components: a one dollar increase in the daily vehicle permit, a housekeeping matter to update department statutes, and finally an increase in the park annual transferable passport related to increasing the daily.

This bill is introduced as a companion to our budget as a means to generate revenues for assisting in park operations. The 1999-2001 budget includes a challenge increasing the parks program revenues by \$178,000. The projected revenue from the proposed fee increases is estimated to be \$120,000. The balance of our revenue goal is intended to be collected from camping fees and other park facility rentals.

Our daily park permit has been held at \$3 per vehicle since 1989. Over the past decade we have held that fee static while we have increased camping and rental fees according to market rates. Adjusting the daily vehicle permit to market rate due to the revenue challenge is the primary reason the \$1 fee hike is being presented. Data from past surveys and public forums show visitor support for fee increases when the dollars are put into park operations. Data attached to this testimony provides an overview of adjoining state and regional permit fees. As you reference those, you will find our proposed \$1 increase brings North Dakota on par with surrounding states and \$1 behind others, except in Nebraska. In our own state, the International Peace Garden charges a \$7 fee per vehicle per day. Statistics from their customers indicate an 80% agreement that the charge is commensurate with the value. All the revenue generated at the entrance to the Peace Garden is used to offset their costs also.

The increased daily fee of \$1 provides value for the services provided. The entrance fee provides necessary revenue for staff and equipment to maintain a clean and safe park system. Many of our visitor comment cards show a high priority placed on clean and neat grounds and facilities. This increase provides that assurance. Visitor profile statistics show an average of 3.5 people per vehicle. At a rate of \$4/car, the cost for a day visit in the state park system averages \$1.15 per person. Movies, by comparison cost \$4 to \$6 for a two hour event. Bowling costs two to three dollars per game with a game lasting maybe an hour.

The annual passport is our value permit for those return visitors to the park system. An annual pass grants the user entrance into any of the state parks all year long for as many return trips as they choose. As we are proposing to increase the daily fee, we feel the annual passport should be raised to distribute the revenue stream over all

users rather than improve the value to annual permit holders. Although we sell an average of 6200 annual passes per season the daily entrance fee accounts for the majority of entrance revenue. An increase of \$5 is being proposed for the annual permit and this increase, by reference to the data sheet attached, again shows North Dakota, at the proposed fee of \$25 at par or lower than surrounding states. I must inform you, our annual permit is a vinyl transferable permit. This means users can move it to any of their registered family vehicles as opposed to many states that have fixed permits and require one permit per vehicle. We feel this proposed fee increase is acceptable and still retains a value to our customers. A visitor survey completed this past season indicated an average of 7.5 return visits to a state park per season. Using that data, visitors who return seven and one half times would pay \$30 for day passes at the \$4 fee. At the current \$3 daily rate and a \$20 annual, the savings average on the 7.5 returns is merely \$1.50.

Finally, the housekeeping component of this bill has to do with rescinding the Senior Passport statute. Currently, state law requires our department to print a separate Senior Citizen Passport. This pass may be sold at a discount to North Dakota residents ages 65 or older. We would like to eliminate the need to print a separate permit just for seniors. Instead, we propose to give our seniors a discount on our regular annual entrance permit. That change will save us nearly \$1,000 per year in printing. Currently we sell 1,600 Senior Passports per year, in comparison to 6,200 regular annual passes. The current Senior Passport costs \$15 and our proposal is to raise that fee to \$20 in accord with increasing the annual to \$25. This change still retains a \$5 discount.

In closing, user fees are generally expected at attractions, parks and events to defray operation costs. Likewise, fee increases are accepted by our park users when it is known that those dollars are retained by the park system to cover costs that maintain or improve the quality of facilities. The proposed change in legislation to remove the Senior Passport language updates our statutes and provides savings to supporting existing programs. The proposals presented still provide a good value for a day in the parks. Approving this increase provides the revenue needed to maintain the quality of our park system. Approval will allow the department to maintain the 92% satisfaction rating recently received in our 1998 visitor survey. I ask for your favorable vote on this legislation. I will be pleased to answer any questions.