DELBERT HOSEMANN
Secretary of State

ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Economic Impact Statement must be attached to this Form and address the factors below. A PDF document containing this executed Form and the Economic Impact Statement must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME	CONTACT PERSON		TELEPHONE NUMBER
Ms Dept of Wildlife, Fisheries, and Parks	Annette Clark or Doug Mann		601-432-2400
ADDRESS	CITY	STATE	ZIP
1505 Eastover Drive	Jackson	MS	39211
EMAIL	DESCRIPTIVE TITLE OF PROPOSED RULE		
annettec@mdwfp.state.ms.us dougm@mdwfp.state.ms.us	40 Miss. Admin. Code Pt.6, Compilation: State Parks Rules, Regulations and Fees PROPOSED		

Specific Legal Authority Authorizing the promulgation of Rule:	Reference to Rules repealed, amended or suspended by the Proposed Rule:
49-1-29; 49-4-4; 55-3-33	40 Miss. Admin. Code Pt.6: State Park Rules and Regulations TEMPORARY

SIGNATURE: W. Douglas Mann, Jr.	TITLE
	Special Assistant Attorney General
DATE	PROPOSED EFFECTIVE DATE OF RULE
07/16/2014	Upon filing

1. Describe the need for the proposed action:

It has been over ten (10) years since the State Parks have increased any entry or amusement fees. However, these fees are subject to MS Sales Tax. The parks have been paying the sales tax on these fees from the amounts collected. In order to increase the amount of revenue generated to the state parks (special funds) and to the state general fund (sales tax revenue) the parks are increasing the fees to pass along the sales tax to the park users. In order to avoid having to keep large amounts of cash on hand, to make change, the fees have been increased so that after adding sales tax, the total amount is a whole dollar amount – thus reducing the parks' liability for maintaining large on-site cash reserves and increased costs in manpower, security and fidelity bonds for cash-handling employees.

2. Describe the benefits which will likely accrue as the result of the proposed action:

As stated, above, there has not been a significant increase in fees in ten years, while other costs have been constantly rising. The proposed increase will increase park revenues which go back into offsetting the operation and maintenance costs of running the state parks. The increased prices and the adding of sales tax as a surcharge should increase sales tax revenues paid into the state general fund.

3. **Describe the effect the proposed action will have on the public health, safety, and welfare:**

There is no anticipated impact on the public health, safety and/or welfare. In most instances, the increases are so minimal that there is no anticipation of any loss of revenue due to increased fees/prices or any downswing in the public's use of the parks.

4. **Estimate the cost to the agency and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state or local revenues:**

There is no anticipated cost to the agency of implementing this rule change/fee increase. At present, the MDWFP, as all other state agencies, is converting to the new automated accounting system for the State of Mississippi known as MAGIC. The MDWFP has contracted with a third party to perform its point-of-sale transactions such as state park entry fees and other amusement fees. The third party contractor is already working with the Department of Finance and Administration to interface with the other automated state accounting systems such as MAGIC. Any changes required by the proposed fee increase will simply be accomplished as part of the ongoing conversion to new systems and transactions.

5. **Estimate the cost or economic benefit to all persons directly affected by the proposed action:**

Any person who uses and/or patronizes the state parks will be affected by the increase; however, the effect will be minimal. Fees have been calculated to achieve a total cost in whole dollar amounts so as to obviate the need for maintaining large supplies of petty cash for making change. The cumulative effect on the consumer will be far less than say an increase in fuel costs.

6. **Provide an analysis of the impact of the proposed rule on small business:**

The proposed rule will have no impact upon small businesses.

   a. Identify and estimate the number of small businesses subject to the proposed regulation:
   b. Provide the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record:
   c. State the probable effect on impacted small businesses:
   d. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis:
      i. The establishment of less stringent compliance or reporting requirements for small businesses;
      ii. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
      iii. The consolidation or simplification of compliance or reporting requirements for small businesses;
      iv. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and
      v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations:

7. **Compare the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the proposed rule or significantly amending an existing rule:**

At present, the MDWFP meets its statutory obligation to collect MS sales tax on park entry fees and amusement fees by calculating the sales tax percentage of gross entry fee receipts and forwarding that amount to the Department of Revenue. This practice results in the parks generating less revenue that could be treated as special funds and put back into the parks operation and maintenance. Likewise, the amount of sales tax revenue remains fairly low. Most businesses pass the sales tax on to the consumer at the point-of-sale. It is fairly simple to re-configure the parks' automated sales functions to calculate and pass sales tax through to the consumer, but doing so would result in total amounts for certain transactions being in fractions of dollars which would require keeping an inordinate amount of petty cash on hand – especially for special events. Since the affected transactions involve park entry fees, there would be a concomitant burden placed upon the ability of the parks to get customers through the gates if they were forced to make change in fractions of dollars. The requirement of extra cash on hand would also require new and expensive security measures to protect the cash supply and the requirement to have all employees who handle cash to have a fidelity bond. Any benefit the parks would receive from simply passing the sales tax to the consumer would be outweighed by the additional costs and logistical strain placed on the park system due to the need to handle the unintended consequences of "making change."

Conversely, by raising the base entry and amusement fees to a fractional amount that yields a whole dollar amount when sales tax is added, the burden of making change with pennies, nickels, dimes, and quarters, is negated. Existing cash management practices and current employees can easily handle the transactions without additional burden to the costs or manpower needs of the park system.

8. Determine whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule where reasonable alternative methods exist which are not precluded by law:

See, Cost/Benefit analysis in response to Number 7., above.

9. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency:

See, Cost/Benefit analysis in response to Number 7., above.

10. State reasons for rejecting alternative methods that were described in #9 above:

The main reason any alternative method was rejected is/was cost to the agency. As stated, the cost of maintaining a petty cash supply, securing that supply, and bonding employees was considerable. State parks depend largely on state general fund appropriations for the operating budget. Funding for basic operational costs has not increased within the past few years. It is imperative that any operational changes be as cost neutral as possible.

11. Provide a detailed statement of the data and methodology used in making estimates required by this subsection:

Existing entry and amusement fees were used as the baseline to determine sales tax amounts. Those amounts were then adjusted upward (base amounts) until a base fee that, when sales tax was calculated and added to the transaction total, the total would be a whole dollar amount.