



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

## Legislative Fiscal Note

**Short Title:** Vets/Mil. Free Admission State Attractions.  
**Bill Number:** House Bill 599 (First Edition)  
**Sponsor(s):** Representatives Davis, Cleveland, Faircloth, and Potts

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 599, V.1 (\$ in millions)

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
<b>State Impact</b>					
General Fund Revenue	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>
Special Fund Revenues	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Less Expenditures	-	-	-	-	-
<b>Special Fund Impact</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>
<b>NET STATE IMPACT</b>	<b>(\$3.1)</b>	<b>(\$3.1)</b>	<b>(\$3.1)</b>	<b>(\$3.1)</b>	<b>(\$3.1)</b>
<b>Non-State Entity Impact</b>					
Revenue	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Local Expenditures	-	-	-	-	-
<b>NET NONSTATE IMPACT</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>

**TECHNICAL CONSIDERATIONS:** See Technical Considerations Section

### FISCAL IMPACT SUMMARY

H.B. 599, Vets/Mil. Free Admission to State Attractions, would provide current US Armed Forces service members and veterans free admission to any State attraction administered by the Department of Natural and Cultural Resources (DNCR). The bill will result in an estimated loss of \$2.9 million to State attractions.

## FISCAL ANALYSIS

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The Department of Natural and Cultural Resources (DNCR) operates 26 historic sites, 39 State parks, eight history museums, three science museums, three aquariums and a pier, two art museums, the NC Symphony, and the NC Zoological Park. For the purposes of this fiscal note, it is assumed that all of these sites would be considered “attractions”, including Symphony concerts, and that admission to them, if charged, would be waived for active duty service members and retirees, and veterans.

### Active Duty Military, Retirees, and Veterans

All of the DNCR sites that charge admission and offer a military discount only provide that military discount to active duty and retired military. It is not offered to all veterans, although some sites may provide free admission to all veterans on certain days, such as Veterans’ Day and Memorial Day. Therefore, it was necessary to categorize the number of military who would receive free admission. The Veteran category was further broken down by age, since it is assumed that veterans over 65 would take advantage of senior discounts. The following section provides information about the military population for each category.

The Department of Defense - Defense Manpower Data Center website provided data regarding active duty military stationed in the State. The US Department of Veterans Affairs had data regarding military retirees. (The most recent data available for retirees was from 2017.) The following table shows the number of active duty military and retirees in the State:

<b>Active Duty Military and Retirees Stationed in NC as of December 2020 (Retirees as of 2017)</b>	
Active duty military	103,260
Active duty military - National Guard/Reserves	21,288
Military Retirees	97,585
<b>Total Active Duty/Retirees</b>	<b>222,133</b>

The bill provides that admission will be provided free of charge for active military service members who are residents of the State. Data regarding residency of active duty military stationed in the State was not readily available, so for the purposes of this fiscal note, it is assumed that all active duty military and retirees would be provided the benefit.

The US Department of Veterans Affairs website provided data regarding veterans living in the State:

<b>Veterans Living in NC Est. 2020</b>	
Veterans Over 65 (not including retirees)	206,838
Veterans Under 65	425,934
<b>Total Veterans (not including retirees)</b>	<b>632,772</b>

To estimate the cost of the cost of the bill, Fiscal Research used the percentage of the total NC population for each the following categories:



<b>NC Military and Veterans as a Percent of the Total State Population</b>			
<b>Military Category</b>	<b>2020 NC Population</b>	<b>Category Population</b>	<b>Percent of NC Population</b>
Total Active Duty/Retirees	10,439,388	222,133	2.13%
Veterans Over 65 (not including retirees)	10,439,388	206,838	1.98%
Veterans Under 65	10,439,388	425,934	4.08%

Once the percentages were determined, they were applied to FY 2018-19 visitation data for each site that currently charges admission. FY 2018-19 visitation data was used because the FY 2019-20 visitation figures were significantly diminished by COVID-19 closures.

Visitation and estimated impact calculations are broken out for three categories of attractions:

- Attractions whose receipts are collected in a special fund,
- Attractions whose receipts are collected in the General Fund, and,
- Attractions whose receipts are held by a non-State entity.

### **Special Fund Receipts**

Admission receipts for most State historic sites are collected into special funds. There are 26 State historic sites, but admission fees are only charged at eight of them. Most of the State historic sites now offer tours for a nominal fee (usually \$2 or \$3). For the purposes of this estimate, it is assumed that those tour fees would not be waived for military members and veterans. Only sites where the tour was included in the admission fee (Thomas Wolfe, Historic Edenton, and Historic Bath) are included in this calculation.

For CSS Neuse, Thomas Wolfe, Historic Edenton, and Historic Bath, the special funds are used for special projects, some maintenance, and repairs and renovations, but their operating funds come from General Fund appropriations. For Roanoke Island Festival Park, Tryon Palace, and the USS North Carolina Battleship, admission receipts are used for operations and support full-time equivalent positions (FTE) at those sites.

It is estimated that providing free admission to active duty and retired military and veterans living in the State will result in a loss of \$619,123 for these special funds. The following tables show the calculations for each military category:

**State Attractions with Regular Admission Fees Received to a Special Fund  
Estimated Cost to Waive Fees for Active Duty Military and Retirees**

<b>Site</b>	<b>FY 2018-19 Visitation</b>	<b>Percent of Population Active Duty or Retired</b>	<b>Est. Active Duty/Retired Visitors</b>	<b>Current Military Price</b>	<b>Est. Amount Waived</b>
CSS Neuse	10,117	2.13%	216	\$4.00	\$864
Historic Bath	21,744	2.13%	463	\$4.00	\$1,852
Historic Edenton	29,306	2.13%	624	\$5.00	\$3,120
Roanoke Island	86,583	2.13%	1,843	\$10.00	\$18,430
Thomas Wolfe Memorial	21,219	2.13%	452	\$5.00	\$2,260
Transportation Museum	146,834	2.13%	3,125	\$5.00	\$15,625
Tryon Palace	172,113	2.13%	3,663	\$18.00	\$65,934
USS North Carolina	182,443	2.13%	3,883	\$10.00	\$38,830
<b>Total Est. Revenue from Active Duty/Retired Admissions</b>					<b>\$146,915</b>

**State Attractions with Regular Admission Fees Received to a Special Fund  
Estimated Cost to Waive Fees for Veterans Over 65**

<b>Site</b>	<b>FY 2018-19 Visitation</b>	<b>Percent of Population Veterans Over 65</b>	<b>Est. Veteran Visitors</b>	<b>Current Senior Price</b>	<b>Est. Amount Waived</b>
CSS Neuse	10,117	1.98%	201	\$4.00	\$804
Historic Bath	21,744	1.98%	431	\$4.00	\$1,724
Historic Edenton	29,306	1.98%	581	\$5.00	\$2,905
Roanoke Island	86,583	1.98%	1,716	\$10.00	\$17,160
Thomas Wolfe Memorial	21,219	1.98%	421	\$5.00	\$2,105
Transportation Museum	146,834	1.98%	2,910	\$5.00	\$14,550
Tryon Palace	172,113	1.98%	3,411	\$18.00	\$61,398
USS North Carolina	182,443	1.98%	3,615	\$10.00	\$36,150
<b>Total Est. Revenue from Veterans (Over 65) Admissions</b>					<b>\$136,796</b>

<b>State Attractions with Regular Admission Fees Received to a Special Fund Estimated Cost to Waive Fees for Veterans Under 65</b>					
<b>Site</b>	<b>FY 2018-19 Visitation</b>	<b>Percent of Population Veterans Under 65</b>	<b>Est. Veteran Visitors</b>	<b>Current Admission Price</b>	<b>Est. Amount Waived</b>
CSS Neuse	10,117	4.08%	413	\$5.00	\$2,065
Historic Bath	21,744	4.08%	888	\$4.00	\$3,552
Historic Edenton	29,306	4.08%	1,196	\$5.00	\$5,980
Roanoke Island	86,583	4.08%	3,533	\$11.00	\$38,863
Thomas Wolfe Memorial	21,219	4.08%	866	\$5.00	\$4,330
Transportation Museum	146,834	4.08%	5,991	\$6.00	\$35,946
Tryon Palace	172,113	4.08%	7,023	\$20.00	\$140,460
USS North Carolina	182,443	4.08%	7,444	\$14.00	\$104,216
<b>Total Est. Revenue from Active Duty/Retired Admissions</b>					<b>\$335,412</b>

The total impact by category is shown in the table below:

<b>Special Fund Impact</b>	
Active Duty/Retired	\$146,915
Veterans Over 65	\$136,796
Veterans Under 65	\$335,412
<b>Total</b>	<b>\$619,123</b>

### **General Fund Receipts**

Admissions receipts for all three Aquariums and Jeanette's Pier, the three State Recreational Areas that charge fees, and the NC Zoological Park are collected in DNCR's General Fund and are used to support operations at those sites.

The State has four State Recreation Areas (SRA) (basically State Parks whose primary purpose is recreation, such as swimming or boating). Fort Fisher SRA does not charge admission. The other three (Falls Lake SRA, Jordan Lake SRA, and Kerr Lake SRA) charge admission during the summer. Admission is charged on the weekends from Good Friday until Memorial Day, and then every day until Labor Day, at which time it switches back to weekends only to the end of September. From October through March admission is free. Admission is charged per car, not per person, and a multiplier is used to determine the total number of visitors. To calculate the number of cars that would be charged, Fiscal Research took the total visitation numbers provided for each SRA and divided by the multiplier. For the purposes of this estimate it is assumed that visitors in April, May, and September came in on the weekend. To the extent that a large number of cars visited during the week when no admission was being charged, the estimate for the SRAs may be overstated.

It is estimated that providing free admission to active duty and retired military and veterans living in the State will result in a loss of \$2,502,505 to the General Fund. The following tables show the calculations for each military category:



**State Attractions with Regular Admission Fees Received to the General Fund  
Estimated Cost to Waive Fees for Active Duty Military and Retirees**

<b>Site</b>	<b>FY 2018-19 Visitation</b>	<b>Percent of Population Active Duty or Retired</b>	<b>Est. Active Duty/Retired Visitors</b>	<b>Current Military Price</b>	<b>Est. Amount Waived</b>
NC Aquariums	1,135,103	2.13%	24,154	\$11.95	\$288,640
NC Aquariums - Jeanette's Pier	178,789	2.13%	3,805	\$2.00	\$7,610
Falls Lake SRA	245,151	2.13%	5,217	\$5.00	\$26,085
Jordan Lake SRA	272,617	2.13%	5,801	\$5.00	\$29,005
Kerr Lake SRA	232,891	2.13%	4,956	\$5.00	\$24,780
NC Zoological Park	879,990	2.13%	18,725	\$13.00	\$243,425
<b>Total Est. Revenue from Active Duty/Retired Admissions</b>					<b>\$619,545</b>

**State Attractions with Regular Admission Fees Received to the General Fund  
Estimated Cost to Waive Fees for Veterans Over 65**

<b>Site</b>	<b>FY 2018-19 Visitation</b>	<b>Percent of Population Veterans Over 65</b>	<b>Est. Veteran Visitors</b>	<b>Current Senior Price</b>	<b>Est. Amount Waived</b>
NC Aquariums	1,135,103	1.98%	22,491	\$11.95	\$268,767
NC Aquariums - Jeanette's Pier	178,789	1.98%	3,543	\$2.00	\$7,086
Falls Lake SRA	245,151	1.98%	4,858	\$5.00	\$24,290
Jordan Lake SRA	272,617	1.98%	5,402	\$5.00	\$27,010
Kerr Lake SRA	232,891	1.98%	4,615	\$5.00	\$23,075
NC Zoological Park	879,990	1.98%	17,436	\$13.00	\$226,668
<b>Total Est. Revenue from Veterans (Over 65) Admissions</b>					<b>\$576,896</b>

**State Attractions with Regular Admission Fees Received to the General Fund  
Estimated Cost to Waive Fees for Veterans Under 65**

<b>Site</b>	<b>FY 2018-19 Visitation</b>	<b>Percent of Population Veterans Under 65</b>	<b>Est. Veteran Visitors</b>	<b>Current Admission Price</b>	<b>Est. Amount Waived</b>
NC Aquariums	1,135,103	4.08%	46,313	\$12.95	\$599,753
NC Aquariums - Jeanette's Pier	178,789	4.08%	7,295	\$2.00	\$14,590
Falls Lake SRA	245,151	4.08%	10,003	\$5.00	\$50,015
Jordan Lake SRA	272,617	4.08%	11,123	\$5.00	\$55,615
Kerr Lake SRA	232,891	4.08%	9,503	\$5.00	\$47,515
NC Zoological Park	879,990	4.08%	35,905	\$15.00	\$538,575
<b>Total Est. Revenue from Veterans (Under 65) Admissions</b>					<b>\$1,306,063</b>

The total impact by category is shown in the table below:

<b>General Fund Impact</b>	
Active Duty/Retired	\$619,545
Veterans Over 65	\$576,896
Veterans Under 65	\$1,306,063
<b>Total General Fund Impact</b>	<b>\$2,502,505</b>

**Non-State Entity Receipts**

Three of the State’s attractions have receipts that are collected and held by non-State entities: the NC Museum of Art (NCMA), the NC Transportation Museum (NCTM) and the NC Symphony (the Symphony). NCMA admission is free; some special exhibitions are ticketed, and they also have movies and concerts that are ticketed. Receipts from those events go to the NC Museum of Art Foundation. For the purposes of this analysis, it is assumed that admission to those special events would not be free for military or veterans, so NCMA is not included in this estimate.

NCTM admission receipts are collected in a special fund discussed earlier. Tickets are also sold for the train ride at NCTM. Receipts from train tickets go to the NC Transportation Museum Foundation. For the purposes of this analysis, it is assumed that train tickets would not be free for military or veterans, so NCTM Foundation receipts are not included in this estimate.

Receipts for the NC Symphony are collected and held by the NC Symphony Society and used to support the operations of the Symphony.

It is estimated that providing free admission to active duty and retired military and veterans living in the State will result in a loss of \$366,256 to non-State entities. The following tables show the calculations for each military category:

State Attractions with Regular Admission Fees Received to a Non-State Entity Estimated Cost to Waive Fees for Active Duty Military and Retirees					
Site	FY 2018-19 Visitation	Percent of Population Active Duty or Retired	Est. Active Duty/Retired Visitors	Current Military Price	Est. Amount Waived
NC Symphony Concerts	124,262	2.13%	2,645	\$32.00	\$84,640
<b>Total Est. Revenue from Active Duty/Retired Admissions</b>					<b>\$84,640</b>

State Attractions with Regular Admission Fees Received to a Non-State Entity Estimated Cost to Waive Fees for Veterans Over 65					
Site	FY 2018-19 Visitation	Percent of Population Veterans Over 65	Est. Veteran Visitors	Current Senior Price	Est. Amount Waived
NC Symphony Concerts	124,262	1.98%	2,463	\$32.00	\$78,816
<b>Total Est. Revenue from Veterans (Over 65) Admissions</b>					<b>\$78,816</b>

State Attractions with Regular Admission Fees Received to a Non-State Entity Estimated Cost to Waive Fees for Veterans Under 65					
Site	FY 2018-19 Visitation	Percent of Population Veterans Under 65	Est. Veteran Visitors	Current Admission Price	Est. Amount Waived
NC Symphony Concerts	124,262	4.08%	5,070	\$40.00	\$202,800
<b>Total Est. Revenue from Veterans (Under 65) Admissions</b>					<b>\$202,800</b>

The total impact by category is shown in the table below:

Non-State Entity Impact	
Active Duty/Retired	\$84,640
Veterans Over 65	\$78,816
Veterans Under 65	\$202,800
<b>Total General Fund Impact</b>	<b>\$366,256</b>

## TECHNICAL CONSIDERATIONS

1. The term “attractions” is not defined, so it is unclear if NC Symphony concerts are included.
2. Although admission is free at many of the State attractions, some of the venues occasionally have ticketed events. It’s unclear from the bill language whether ticketed events outside of regular visitation would be free for active duty service members and veterans. Clarification of this issue



is particularly important for NCMA, which has ticketed exhibitions, concerts, and movie events, and the NCTM, which has ticketed train rides.

3. The State Recreational Areas (Kerr Lake, Jordan Lake, and Falls Lake) charge admission per car from Memorial Day to Labor Day. The bill does not specify whether or not the car admission would be waived if one person in the car is an active duty service member or veteran.
4. While parts of Chimney Rock State Park are free, admission is charged at the main access by a vendor who operates that section of the Park. It is not clear from the bill if admission should be free there, as well.
5. The bill provides the benefit to “an active duty military service member or veteran...who is a resident of the State.” It’s unclear whether active duty military stationed in the State would be considered residents of the State, or how that distinction would be determined in actual practice.

## **DATA SOURCES**

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DEPARTMENT OF NATURAL AND CULTURAL RESOURCES  
US DEPARTMENT OF DEFENSE  
US DEPARTMENT OF VETERANS’ AFFAIRS  
US CENSUS BUREAU

## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

## **CONTACT INFORMATION**

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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

## **ESTIMATE PREPARED BY**

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## **ESTIMATE APPROVED BY**

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Mark Trogdon, Director of Fiscal Research  
Fiscal Research Division  
April 29, 2021



Signed copy located in the NCGA Principal Clerk's Offices