

**FISCAL NOTE**  
**Department of Cultural Resources – Admission Fee Increase**

**Agency:** Department of Cultural Resources/ Division of State Historic Sites

**Rule Citation:** 07 NCAC 04N .0202 ADMISSION FEES

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**Impact Summary:**

State government:	No
Local government:	No
Substantial economic impact:	No
Federal government:	No
Small businesses:	No

**Authority:** G.S. 121-4(8); 121-4(9)

**Description of the rule change**

The Department of Cultural Resources Division of State Historic Sites proposes amending state rule 07 NCAC 04N .0202 State Historic Sites Fees. (See Appendix 1 for proposed rule text.) The rule change includes:

- 1) Elizabeth II  
Fees for Elizabeth II (Section (e)) are being removed from the rule because the Roanoke Island Commission is exempt from Chapter 150B.
- 2) NC Transportation Museum  
The rule increases the admission fees at the North Carolina Transportation Museum (NCTM) at Spencer by \$1. The proposed fees are as follows:
  - a) General Admission: \$6.00 for adults; \$5.00 for seniors and active military; \$4.00 students (ages 3 to 12); and free for children (ages 0 to 2).
  - b) Group Admission (15 or more visitors): \$5.00 for adults; \$4.50 for seniors and active military; \$2.50 for students (ages 3 to 12); and free for children (ages 0 to 2).

**Reason for the rule change**

Elizabeth II

The Elizabeth II is no longer part of the Division of Historic Sites. It is part of the Roanoke Island Festival Park, which operates under the authority of the Roanoke Island Commission (RIC). RIC is exempt from Chapter 150B in regard to rules pursuant to GS 143B-131.2 (b) (9). RIC has the statutory authority to establish admission fees under subsection (b)(9) of that section.

NC Transportation Museum Fees

The purpose of the amended rule is to increase an admission fee to offset some of the loss of appropriation resulting from Session Law 2012-142 effective July 1, 2012, and Session Law 2011-145 (appropriation bills for the fiscal biennium ending June 30, 2013).

Session Law 2011-145 Section 21.1 established the North Carolina Transportation Museum special fund (enterprise fund), which shall be used to pay all costs associated with the operation and maintenance Transportation Museum. All receipts derived from admissions and fees shall be credited to the fund.

During the 2011 Session, the Legislature cut the appropriation to the Transportation Museum by 50% (\$576,258) for FY 2011-12 and by 100% for FY 2012-13 with the intent of making operations receipt supported (see page J-12 of the 2011-12 Senate Appropriations Committee Report). The Governor's Recommended Budget for 2012-13 requested an additional \$400,000 in appropriations for the Museum; however, only \$300,000 of the request was approved by the legislature, essentially cutting the budget for this fiscal year by 74% (\$852,515). Because the additional \$100,000 in appropriations was not approved, the North Carolina Transportation must increase the admission fee by \$1.00 in each visitor category to cover part of its operating expenses.

### **Reducing the public burden**

To decrease the impact to the public, the Department has sought to avoid a drastic increase in entrance fees to cover the budgetary gap of \$852,515 for FY 2012-13. Rather, the Department is seeking to increase revenue at the site through special events and by leasing some of its property. That lease has taken months to go through the State approval process and is still awaiting approval.

### **Cost effectiveness**

The Department is seeking to increase revenue at the site through other means besides the admission fee. In fiscal year 2011-12, the Transportation Museum had receipts of over \$138,000 from special events rides, facility rentals, the gift shop, donations, and memberships. The Museum is also seeking to lease some of its property. The lease has taken months to go through the State approval process and is still awaiting approval.

The Museum has sought to reduce costs, the largest of which is personnel costs. In 2010-11, before budget cuts, the Museum had 18 permanent full time staff. In FY 2011-12, with a \$576,258 budget cut, staff was reduced by half, down to nine permanent full-time staff. In FY2012-13 with a cumulative budget cut of \$852,515, the Museum is down to eight permanent full-time staff.

### **Public Interest**

Increasing of the admission fee by \$1.00 per person in each visitor category will allow the site to continue to maintain interpretation, programs, and operating hours for museum visitors. The Museum faces a deficit caused by the failure to receive all of the anticipated appropriations requested in the Governor's budget. Without an increase in the admission fee, the Museum would be faced with additional cuts to programming, staff, and operating hours.

### **Impact**

To estimate the impact from the proposed fee increase, the Museum used total visitors from FY2011-12 to make its projection. The total number of visitors for FY 2011-12 was 44,308, as shown in Table 1. Table 2 shows the Museum collected \$164,561 from admission fee receipts in FY 2011-12. There is a possibility that with a fee increase, visitation will decrease<sup>1</sup>. However, for the purposes of this analysis, and based on admission data and receipts since July 2011<sup>2</sup>, the Museum assumes that attendance will not be affected by the \$1.00 admission fee increase in each visitor category, and the impact from this rule change would be about \$44,000 in additional fee receipts for the Museum. With the fee increase, the Museum projects it will collect approximately \$208,500 in total admission fee receipts.

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<sup>1</sup> For the current fiscal year an emergency rule took effect in August 2011 for the \$1 fee increase, Visitation has been down by only 4%, primarily due to inclement weather on the weekend of one of the largest special events of the year.

<sup>2</sup> The first fee was established and approved by an emergency rule on July 14, 2011. A temporary rule was approved in September 2011 to allow for the fee until the permanent rule was approved in August 2012.

**Table 1. Visitors by category using FY 2011-12 totals**

Adult	14,629
Adult in Group	2,136
Senior/Active Military	6,680
Student	10,541
Student Group	<u>10,322</u>
Total Museum Admission	44,308

**Table 2. Estimated Total Fee Receipts**

(Total collected in FY 2011-12)	\$ 164,561
Amount estimated to be collected annually with \$1.00 increase	<u>\$ 44,000</u>
Total estimated admission fee receipts	\$ 208,561

Sources:

1. 2012-13 Conference Report on the Continuation, Capital and Expansion Budgets – Page J 5  
[http://www.ncleg.net/sessions/2011/budget/2012/Conference\\_Committee\\_Report\\_2012-06-20.pdf](http://www.ncleg.net/sessions/2011/budget/2012/Conference_Committee_Report_2012-06-20.pdf)
2. Governor Perdue's 2012-13 Recommended Budget Adjustments – Page 79  
<http://osbm.nc.gov/thebudget>
3. 2011-12 Conference Report on the Continuation, Capital and Expansion Budgets – Page J 12  
<http://www.ncleg.net/sessions/2011/budget/2011/MoneyReport-5-31-11.pdf>
4. SESSION LAW 2012-142  
<http://www.ncleg.net/Sessions/2011/Bills/House/PDF/H950v7.pdf>
5. SESSION LAW 2011-145 – Pages 273 and 274  
<http://www.ncleg.net/Sessions/2011/Bills/House/PDF/H200v9.pdf>
6. Elizabeth II - § 143B-131.2(b)(9). Roanoke Island Commission – Purpose, powers, and duties.  
<http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=143B-131.2>

## Appendix 1

07 NCAC 04N .0202 is amended under emergency procedures as follows:

### **07 NCAC 04N .0202 STATE HISTORIC SITES FEES**

(a) The following sites do not charge an admission fee:

- (1) Alamance Battleground,
- (2) Aycock Birthplace,
- (3) Bennett Place,
- (4) Bentonville Battleground,
- (5) Brunswick Town,
- (6) Caswell-Neuse,
- (7) Duke Homestead,
- (8) Fort Dobbs,
- (9) Fort Fisher,
- (10) Historic Halifax,
- (11) House in the Horseshoe,
- (12) Polk Memorial,
- (13) Reed Gold Mine,
- (14) Somerset Place,
- (15) Town Creek Indian Mound,
- (16) Vance Birthplace,
- (17) Charlotte Hawkins Brown Memorial,
- (18) Horne Creek Living History Farm.

(b) The following site charges an admission fee of five dollars (\$5.00) for adults, two dollars (\$2.00) for children, and one half off the regular admission price for groups of ten or more: Thomas Wolfe Memorial.

(c) The following site charges an admission fee of one dollar (\$1.00) for adults, twenty-five cents (\$0.25) for children: James Iredell House.

(d) The following site charges an admission fee of two dollars (\$2.00) for adults, one dollar (\$1.00) for children and one half off the regular admission price for groups of ten or more to each historic structure:

- (1) Historic Bath, Bonner House;
- (2) Historic Bath, Palmer-Marsh House.

~~(e) The following site charges an admission fee of three dollars (\$3.00) for adults, one dollar and fifty cents (\$1.50) for students, two dollars (\$2.00) for senior citizens, and fifty cents (\$0.50) off the regular admission price for groups of ten or more: Elizabeth II.~~

~~(f)~~ (e) The North Carolina Transportation Museum at Spencer charges admission fees as follows:

- (1) General Admission: ~~Five dollars (\$5.00)~~ Six dollars (\$6.00) for adults; ~~four dollars (\$4.00)~~ five dollars (\$5.00) for seniors and active military; ~~three dollars (\$3.00)~~ four dollars (\$4.00) for students (ages 3 to 12); and free for children (ages 0 to 2).

- (2) Group Admission (15 or more visitors): ~~Four dollars (\$4.00)~~ Five dollars (\$5.00) for adults; ~~three dollars and fifty cents (\$3.50)~~ four dollars and fifty cents (\$4.50) for seniors and active military; ~~one dollar and fifty cents~~ two dollars and fifty cents (\$2.50) for students (ages 3 to 12); and free for children (ages 0 to 2).

~~(g)~~ (f) The following site charges a gold panning fee of three dollars (\$3.00) per person and two dollars (\$2.00) for groups of ten or more: Reed Gold Mine.

*History Note: Authority G.S. 121-4(8); 121-4(9);  
Eff. February 1, 1985;  
Amended Eff. January 1, 1990; June 1, 1989;  
Emergency Amendment Eff. July 14, 2011;  
Temporary Amendment Eff. September 23, 2011;  
Amended Eff. August 1, 2012;  
Codifier determined that findings of need did not meet the criteria for emergency rule on August 2, 2012;  
Emergency Amendment Eff. August 10, 2012;  
Emergency Amendment Expired November 3, 2012;  
Codifier determined that findings of need did not meet the criteria for emergency rule on November 30, 2012;  
Emergency Amendment Eff. December 10, 2012.*