

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 04/30/99

Received By: gibsom

Wanted: As time permits

Identical to LRB:

For: Legislative Fiscal Bureau 68314

By/Representing: Kava

This file may be shown to any legislator: NO

Drafter: gibsom

May Contact:

Alt. Drafters:

Subject: Nat. Res. - boats snomos ATVs

Extra Copies:

Pre Topic:

LFB:.....Kava -

Topic:

Snowmobile sticker reveune for supplemental trail aids

Instructions:

See Attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|-------------------|--------------------|-------------------|----------------|-------------------------|-----------------|-----------------|
| /1 | gibsom 05/3/99 | gilfokm 05/3/99 | mclark 05/3/99 | _____ | lrb_docadmin 05/3/99 | | |

FE Sent For:

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| 1? | gibsom | 1-5-99 KMG | S/3 MRC | MRC/CH S/3 | | | |

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Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

0219/2

April 27, 1999

Joint Committee on Finance

Paper #677

Nonresident Snowmobile Trail Use Sticker Revenue for Supplemental Trail Aids (DNR -- Recreational Programs)

[LFB 1999-01 Budget Summary: Page 427, #6]

CURRENT LAW

The Department of Natural Resources distributes aids to participating counties for the maintenance, development and acquisition of land to support 15,500 miles of interconnecting snowmobile trails throughout the state. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. DNR also funds maintenance and development of snowmobile trails in state parks and forests.

County expenditures eligible for state aid (listed in priority order) are as follows: (a) maintenance of existing approved trails, up to a maximum of \$250 per mile per year (increased from \$200 per mile in 1997 Act 237); (b) club signing programs; (c) bridge rehabilitation; (d) municipal route signing; (e) trail rehabilitation; and (f) development of new trails.

In addition, a county or DNR is eligible for supplemental trail aid payments if actual eligible costs exceed the maximum of \$250 and, of the costs incurred, actual trail grooming costs exceed \$130 per mile per year. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula. If the supplemental aid payable to counties exceeds funding available from the multiplier, the Department may either prorate payments or request that the Joint Committee on Finance take action to provide additional funding from the snowmobile account for supplemental payments.

A nonresident snowmobile trail use sticker requirement was created in 1997 Act 27 as a new source of revenue to the snowmobile account. Snowmobiles not registered in Wisconsin are required to display an annual trail use sticker to use public snowmobile corridors. The fee for the annual sticker, originally set at \$10, was increased to \$13 in 1997 Act 237. An increase of

\$700,000 for snowmobile trail aids related to revenue from the trail sticker requirement was also provided in Act 27.

GOVERNOR

Delete \$700,000 annually from the local snowmobile trail and project aids appropriation and provide an equal amount in a newly-created continuing appropriation primarily for supplemental snowmobile trail aids from a portion of the revenue generated by the nonresident snowmobile trail use sticker. Beginning in fiscal year 1999-00, require the Department to calculate an amount equal to the number of trail use stickers issued in the previous fiscal year multiplied by \$10 and then credit that amount to the new appropriation. Require the Department to use the revenue in this appropriation first for supplemental aids, and then for any other snowmobile trail or project aid.

DISCUSSION POINTS

1. The following table provides information on the total amount requested for supplemental snowmobile aids, the amount paid by the Department and the proration level. Supplemental aids for a given snowmobile season are paid in the following fiscal year. Payments for the 1995-96 and 1996-97 snowmobile seasons were supplemented by the Joint Committee on Finance. The 40% gas tax multiplier is expected to generate \$1,050,000 in 1999-00 and \$1,100,000 in 2000-01 for supplemental trail aids.

Supplemental Snowmobile Trail Maintenance Payments

| <u>Snowmobile Season</u> | <u>Total Request</u> | <u>Total Payment</u> | <u>Percent of Request Paid</u> |
|--------------------------|----------------------|----------------------|--------------------------------|
| 1990-91 | \$351,800 | \$351,800 | 100.0% |
| 1991-92 | 923,000 | 701,500 | 76.0 |
| 1992-93 | 983,900 | 724,600 | 73.6 |
| 1993-94 | 889,800 | 838,400 | 94.2 |
| 1994-95 | 477,700 | 477,700 | 100.0 |
| 1995-96 | 1,925,500 | 1,116,200 | 58.0 |
| 1996-97 | 2,130,000 | 1,642,300 | 77.1 |
| 1997-98 | 731,000 | 731,000 | 100.0 |

2. The original revenue estimates for the nonresident snowmobile sticker were based on the number of nonresident snowmobilers as estimated by the Association of Wisconsin Snowmobile Clubs (100,000) and the estimated first-year compliance with a trail sticker requirement in Michigan (70%).

3. The Department will not have final figures on the number of trail stickers sold in 1998-99 until the agents remit all of the revenues from the stickers later this summer. Based on preliminary data, it is estimated that approximately 10,000 stickers will be sold this year.

4. Given the newness of the requirement and the relatively short snowmobiling season this winter, the Department indicates that 1998-99 sales are probably not an accurate indicator of the number of nonresident snowmobilers. In addition, the Department had some difficulty implementing the requirement in the last year before conversion to the Automated License Issuance System (ALIS). Once the requirement is better known, incorporated into the ALIS sales system and more strictly enforced during more typical winters, the Department anticipates that sticker sales will increase.

5. As a result, the amount of trail sticker revenue could be reestimated to reflect 25,000 stickers sold in 1999-00 and 40,000 in 2000-01. As a result, revenue from the sticker would be estimated at \$312,500 in 1999-00 and \$500,000 in 2000-01.

6. Using these revenue estimates, under the bill, \$100,000 in 1999-00 and \$250,000 in 2000-01 would be made available in the new appropriation for supplemental aids, since the available revenue would be determined from prior year sticker sales. One of the priorities of the Snowmobile Recreational Council is to maximize the funding available for supplemental trails aids. The bill would automatically provide an additional funding source for supplemental aids, with provisions to allow that funding to be used for other trail aid purposes if the funding is not needed for supplemental aids in any given year.

7. However, current law allows Joint Finance to provide additional funding for supplemental trail aids if requested by the Department and the Snowmobile Recreational Council. In addition, the increase in the basic trail aid reimbursement from \$200 to \$250 per mile will increase the need for funding for those purposes. As a result, it may be preferable to maintain these revenues for general trail aid purposes rather than placing a higher priority on supplemental aids.

8. If the Committee chooses to shift funding from the nonresident trail sticker to supplemental aids, the full \$700,000 annual reduction in the bill from the local snowmobile trail and project aids appropriation would not have to be taken. Given the one year lag involved in the calculation under the bill, additional funding from the sticker of \$212,500 in 1999-00 and \$250,000 in 2000-01 would still be available for general trail aids.

ALTERNATIVES

1. Approve the Governor's recommendation, as reestimated, to delete \$487,500 in 1999-00 and \$450,000 in 2000-01 from the local snowmobile trail and project aids appropriation and provide \$100,000 in 1999-00 and \$250,000 in 2000-01 in a newly-created continuing appropriation primarily for supplemental snowmobile trail aids from a portion of the estimated revenue generated by the nonresident snowmobile trail use sticker.

Alternative 1**SEG****1999-01 FUNDING** (Change to Bill)

- \$587,500

2. Maintain current law with respect to the use of revenue from the nonresident trail use sticker and reestimate revenues to reflect updated sales estimates (delete \$387,500 in 1999-00 and \$200,000 in 2000-01).

Alternative 2**SEG****1999-01 FUNDING** (Change to Bill)

- \$587,500

Prepared by: Russ Kava

1999

Date (time) needed soon

LRB b 0220 / 11

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

MGR : King :

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**LFB AMENDMENT
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45**

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

*10-310 (5)
(1000) ✓*

#. Page 404, line 22: delete the material beginning with that line and ending with page 405, line 2.

*35-0-12 ✓
(4) (b) (intro.)
(b) 2.*

#. Page 1249, line 21: delete the material beginning with that line and ending with page 1250, line 20.

#. Page, line : (End)

#. Page, line :

#. Page, line :

#. Page, line :



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0220/1
MGG:kmg:mrc

LFB:.....Kava - Snowmobile sticker reveune for supplemental trail aids

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

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3 with page 405, line 2.

4 **2.** Page 1249, line 21: delete the material beginning with that line and ending
5 with page 1250, line 20.

6 (END)