

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-3172/3	Introduction Number SB-406
Description Snowmobile registration, trail use sticker requirements, intoxicated snowmobiling, snowmobile speed limits, calculating the estimated snowmobile gas tax payment, funding for alcohol education programs and state trails, providing penalties, and making appropriations	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs 3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS (5)(cw)	
Affected Ch. 20 Appropriations	
Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794
Date 3/2/2010	

Fiscal Estimate Narratives

DNR 3/2/2010

LRB Number	09-3172/3	Introduction Number	SB-406	Estimate Type	Original
Description Snowmobile registration, trail use sticker requirements, intoxicated snowmobiling, snowmobile speed limits, calculating the estimated snowmobile gas tax payment, funding for alcohol education programs and state trails, providing penalties, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

SB 406 makes a variety of modifications to Wisconsin's snowmobile statutes. They include:

SB 406 replaces the current two-year registration renewal process for public-use snowmobile registrations with a registration that is valid until ownership of the snowmobile is transferred. The bill also lowers the public-use registration fee from \$30 for 2 years to \$15 for as long as the machine is owned by the same person.

The current registration fee generates about \$3.4 million on an annual basis for the 112,000 2 year registrations (224,000 in total). After 2 years the vast majority of snowmobiles would not have to pay this fee anymore. The fee would be collected only from new or original registrations which are around 12,000 per year, they would generate about \$180,000 per year. This provision would result in lost revenue of about \$3.2 million annually.

SB 406 also institutes a trail use sticker for all snowmobiles, whether they are registered in Wisconsin or not. If the snowmobile is registered in Wisconsin and the owner is a member of a snowmobile club that is affiliated with the Association of Wisconsin Snowmobile Clubs (AWSC), they will purchase the trail pass for their snowmobile at a reduced rate of \$14.25. If the owner of a snowmobile is not a club member affiliated with AWSC, the price of \$34.25 will be charged for a trail use sticker.

The AWSC listed its membership at about 26,000 for 2008. If it is assumed that the provisions in the bill would increase membership by 10% and that each member has 1.25 snowmobiles, total club registrations would increase to about 35,300. Assuming that registrations remain at about 224,000, there would be 189,000 snowmobiles registered by nonclub members. At \$15/ year for trail use stickers, Club members would generate about \$500,000 annually with \$6.5 million contributed by nonclub members.

Therefore, the bill would generate about \$3.8 million in net new revenues, assuming no sales change due to resistance to the new higher Trail Use Sticker prices.

SB 406 also modifies the gas tax calculation. Currently, the estimated snowmobile gas tax formula amount is based on an estimate of the amount of excise tax paid on gasoline by operators of all snowmobiles registered in this state. This bill bases the estimated snowmobile gas tax formula on an estimate of the excise tax paid on gasoline by operators of registered snowmobiles in this state who are issued a trail use sticker. This potentially could reduce the amount transferred from the Transportation Fund to the Snowmobile Account. This could occur because currently an individual has a 2 yr. registration which is counted toward the gas tax calculation in both years whether it is used or not. This change would require the individual to purchase a Trail Pass in each of the two years to qualify for the formula count.

SB 406 also seeks to increase the amount dedicated from the non-resident trail pass to the supplemental trail aids appropriation from \$15 to \$34.25, the total amount of the fee. Assuming the amount of the most recent year's sales of nonresident trail passes continues (about 28,000), this additional \$19.25 per pass would dedicate an additional \$537,000 for supplemental trail aids. Without this earmarking provision, those funds would be held in the balance of the Snowmobile Account and available for any snowmobile purpose, such as trail development, maintenance, grooming or enforcement and education.

This bill would increase aid to state properties for trail development and maintenance by \$30,000 for 3 years starting in 2010-2013. This bill also provides \$40,000 per fiscal year from 2010 to 2013 for alcohol education and \$64,600 in snowmobile enforcement and safety training in fiscal year 2012. Given the limited duration of these funds, they are not considered as ongoing for fiscal estimate purposes.

Current law requires absolute sobriety for any person operating a snowmobile who is under the age of 19. This bill increases this age so that the absolute sobriety requirement applies to anyone under the age of 21.

The bill imposes increased penalties for operating a snowmobile under the influence of an intoxicant or with alcohol concentrations above specified levels if the snowmobile is operated with a passenger under 16 years of age.

Current law prohibits a person from operating a snowmobile at night at a rate of speed exceeding 55 miles per hour. Current law sunsets this provision on July 1, 2010. This bill repeals the sunset.

Enforcement of the new laws will be conducted at the state and local levels utilizing existing funds. Minor costs associated with educating the public can be absorbed within the agency's budget.

Costs associated with issuing the new annual Trail Pass:

Current 2 yr. Registration
Printing/Inserting/Postage 120,000/yr. \$64,800
Decal Stock \$275/1000 \$33,000
Total Savings \$97,800

Annual Trail Pass
Printing/Inserting/Postage 240,000/yr. \$129,600
Decal Stock \$275/1000 \$66,000
Total New Costs \$195,600

Difference \$97,800

One-time programming costs about \$5,200.

Long-Range Fiscal Implications

Funding levels will be based upon actual trail pass sales. These will be dependent upon snowfall and could fluctuate greatly between years.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs	97,800		
Local Assistance	537,000		
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$634,800	\$	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	634,800		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S	3,800,000		
TOTAL State Revenues	\$3,800,000	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$634,800	\$	
NET CHANGE IN REVENUE	\$3,800,000	\$	
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	3/2/2010