

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<b>1. Type of Estimate and Analysis</b> <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	<b>2. Date</b> 06/10/2019
<b>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)</b> Ch. NR 65, Wis. Adm. Code: Off-Highway Motorcycles	
<b>4. Subject</b> Creation of an Off-Highway Motorcycle Program	
<b>5. Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S	<b>6. Chapter 20, Stats. Appropriations Affected</b> ss. 20.370 (1) (jb) and 20.370 (3) (ay), Wis. Stats.
<b>7. Fiscal Effect of Implementing the Rule</b> <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
<b>8. The Rule Will Impact the Following (Check All That Apply)</b> <input checked="" type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
<b>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).</b> Less than \$50,000 per year (minimal impact level).	
<b>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>11. Policy Problem Addressed by the Rule</b> 2015 Wis. Act 170 created a registration, nonresident trail pass, rules of the road and grant program for off-highway motorcycles (OHM) and required implementation by administrative rule of certain provisions including the nonresident trail pass and grant program.  During the registration year ending on March 31, 2019, there were approximately 4,000 OHMs registered. Income produced from registrations varies year to year due to the two-year registration cycle. To date, the program has produced approximately \$36,000 in FY 2017; \$60,000 in FY 2018; and \$41,500 in FY 2019.  A steady but small increase in revenue is expected with the implementation of the grant program due to the resultant increase in OHM usage. However, the amounts available in the foreseeable future will likely not be substantially different than the currently available funds. Accordingly, the department had to choose how to best use those funds. After consulting with the off-highway motorcycle council, the department chose to make maintenance of existing trail its top priority. The funding would be based on a mileage rate established according to funds available. This is consistent with how funds are allocated in the ATV and snowmobile programs. If any funds remain they will be available for the lower priority grants. Acquisition of new facilities is given a lower priority due to the limited impact the available funds would have if there were all sent on purchasing interests in land.  The department chose to allocate a limited amount (\$1 per registration) to the safety grants program of s. 23.335 (15), Stats., as the off-highway motorcycle council and the department believed that grants for improved maintenance of trails would produce a more significant impact on user safety.	
<b>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.</b> Local units of government that currently have off-highway motorcycle trails or facilities (e.g. Town of Rome in Adams County, Jackson County, Vilas County, Clark County and Town of Tigerton in Shawano County) were contacted about	

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participating in the grant program. They have all expressed an interest in participating.

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13. Identify the Local Governmental Units that Participated in the Development of this EIA.

No governmental units provided information or requested participation in development of this EIA.

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14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

As the rule does not regulate small businesses in any way, the department expects that this rule will have no negative fiscal effect on small business.

Implementation and compliance costs of this rule are anticipated to be less than \$20,000, to include council meeting expenses and program operation costs (additional requirements for the sale of registrations and trail passes, setting up and running the grant program, safety instruction, and enforcement of noise limits). Additional DNR staff time required to establish and run this program is expected to be absorbed into current work schedules and paid from other funding sources. No additional costs are expected for motorcyclists to comply with this rule as the underlying requirements are statutory.

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

OHM grants assist with the cost of construction, development, and maintenance of specific trails and facilities. Those trails draw riders and their disposable income. Small businesses located near OHM trails benefit when trail users make the following purchases: fuel and other items at convenience stores; retail items; accommodations or lodging; sales of replacement vehicle parts; repair or maintenance of OHMs; rider clothing, protective gear, and accessories; food and drink at restaurants and other establishments.

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16. Long Range Implications of Implementing the Rule

The department does not anticipate any adverse long term fiscal or economic implications to implementing this rule.

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17. Compare With Approaches Being Used by Federal Government

The federal government has one program that has a somewhat similar purpose to the Wisconsin OHM grant program: the Recreational Trails Program (RTP). This federal program provides grant funds for the acquisition, development, rehabilitation of trails and structures (such as bridges and culverts), and maintenance of motorized, non-motorized, and mixed-use trails. The department has received RTP funds for many years and often matches RTP grant funds from the motorized subprogram to Wisconsin motorized grant awards. The department has not yet determined how it will use RTP funds with the OHM grant program. In the RTP, maintenance and rehabilitation activities are the two highest priority categories for grant funding; these priorities are shared by the proposed Wisconsin OHM grant program.

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois: There is an OHV fund which is available for the creation of trails for ATVs, UTVs or OHMs. There are no stated priorities. OHM parks are open to all users.

Iowa: There is an OHV fund which is available for the creation of trails for ATVs, UTVs or OHMs. There are no stated priorities. OHM parks are open to all users.

Michigan: There is one grant program for all off-road recreational vehicles (ORVs). The top priority is for existing facilities on a per mile basis. Special maintenance projects and restoration of damage caused by ORVs, lease payments and new facilities are also eligible. Grant funding is available for up to 100% of the cost. Publicly funded trails are open to all types of off-road vehicles including OHMs. State forest roads are open to ORV use unless closed. Approximately 89% are open.

Minnesota: There is one grant program for all off-road recreational vehicles. First priority is maintenance of existing trails; second is improvements or enhancements of existing trails or added mileage or trail connections to existing

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systems; and third is new trail, parking lots and other support facilities. There is a 35% local match requirement for acquisition and development and a 10% local match requirement for maintenance. Helmets are required for those under 18 on public lands and frozen waters.

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19. Contact Name Brigit Brown	20. Contact Phone Number (608) 266-2183
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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

Less Stringent Compliance or Reporting Requirements

- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

Yes      No

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