



Legislative Fiscal Bureau

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

May 23, 2001

Joint Committee on Finance

Paper #181

Tribal Gaming Revenue Allocations

County and Municipal Enforcement Aids (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 476-7, #21, 24 and 25]

CURRENT LAW

As part of its cooperative enforcement efforts with local governments for boat, snowmobile, and ATV enforcement, DNR distributes aid to counties for snowmobile and ATV enforcement activities, and to municipalities for boating enforcement expenditures. The Department provides aids to counties for up to 100% of eligible costs of enforcing snowmobile and ATV laws. Aid is also distributed to municipalities for the costs of local boating law enforcement, search and rescue, and safety activities. Municipalities are eligible for amounts up to 75% of their approved costs. No municipality may receive aid amounting to more than 20% of the funds available. Aid payments for any of these programs are prorated if claims exceed the appropriation level.

GOVERNOR

Provide \$300,000 annually (\$100,000 PR from tribal gaming revenues and \$200,000 SEG from the snowmobile account of the conservation fund) to increase available aid for county snowmobiling enforcement efforts.

Further, provide \$20,000 annually from the all-terrain vehicle (ATV) account to increase funding for the county enforcement aids program to \$70,000 annually, and provide \$300,000 annually from the boat registration account of the conservation fund to increase enforcement aids for municipal boat patrols (\$1,400,000 annually under the bill).

DISCUSSION POINTS

1. County snowmobile, ATV, and municipal boating enforcement aids requests for the last three years are detailed in the following table.

Enforcement Aids History County Snowmobile, ATV, and Municipal Boating Enforcement Reimbursement

Fiscal Year	Snowmobile		ATV		Boating	
	Total Eligible Costs	Proration Level	Total Eligible Costs	Proration Level	Total Eligible Costs	Proration Level
1997-98	227,800	88%	34,100	88%	1,594,200	69%
1998-99	243,200	82%	50,300	59.60%	1,839,500	59.80%
1999-00	302,600	66%	69,300	72%	1,833,300	60%

2. DNR provides aids to counties for up to 100% of eligible costs of enforcing snowmobile laws. If claims exceed the appropriation level, payments to counties are prorated. For snowmobile enforcement activities that occurred over the winter of 2000-01, DNR estimates that eligible costs may approach \$500,000. Under the current appropriation (\$200,000 SEG annually), this would result in a reimbursement rate of approximately 40%, while under the bill counties would receive 100% state funding. Reasons for the increase include better than average snow conditions for the season, and increased county enforcement efforts in response to both higher levels of snowmobile trail use and concern over the previous years snowmobile-related fatalities.

3. For boating enforcement activities that occurred in 1999-00, 97 municipalities received reimbursements totaling \$1.1 million, which represented 60% of the total eligible costs of their local water patrol activities. These grants are funded from the boat registration account. For ATV enforcement activities that occurred in 1999-00, 18 counties received reimbursements totaling \$50,000, which represented 72% of the eligible costs of their local ATV patrol activities.

4. It may be argued that, as enforcement aid programs targeted towards recreational activities that receive support from registration fees, these three programs should be treated equally in terms of eligible levels of reimbursement. From the perspective that these enforcement activities provide a public safety benefit to the local community, it may be desirable to maintain a local cost share. Further, providing a minimum of a 25% local cost share maintains some fiscal incentive for local governments to manage their eligible enforcement costs. Reducing ATV and snowmobile enforcement eligible reimbursement levels to 75% would accomplish both of these objectives.

5. Several levels of funding for reimbursement of enforcement requests to the ATV account may be considered. Based on previous request levels, expenditures eligible for reimbursement may reach \$85,000 for 2000-01 for activities associated with ATV enforcement.

Funding from the ATV account would need to be increased by \$13,800 annually over its base funding of \$50,000 to fund 75% of eligible expenses. Under the bill, funding of \$70,000 would be available, increasing the potential reimbursement rate to 82% of eligible ATV enforcement expenditures. In order to fund 100% of eligible ATV enforcement expenditure requests, approximately \$85,000 annually would be required (\$35,000 annually more than is currently provided as base expenditure authority). Based on the bill and Joint Finance action to date, on June 30, 2003, the ATV account is expected to have a balance of \$405,000.

6. The same considerations may be extended to the reimbursement of snowmobile enforcement activities. Based on previous request levels and estimates provided by DNR wardens, expenditures eligible for reimbursement may reach \$500,000 for 2000-01 for activities associated with snowmobile enforcement. Funding from the snowmobile account would need to be increased by \$175,000 annually over its base funding of \$200,000 to fund 75% of eligible expenses. Under the bill, increased funding of \$300,000 annually would be available, increasing the potential reimbursement rate to 100% of eligible snowmobile enforcement expenditures.

7. Based on previous request levels, expenditures eligible for reimbursement may reach \$1.9 million for 2000-01 for activities associated with municipal boating enforcement. Funding from the boat account would need to be increased by \$325,000 annually over its base funding of \$1.1 million to fund 75% of eligible expenses. Under the bill, increased funding of \$300,000 annually would be available, for a reimbursement rate of about 74% of eligible boating enforcement expenditures. In order to fund 100% of eligible boating enforcement expenditure requests, approximately \$1.9 million annually would be required (\$800,000 annually more than is currently provided as base expenditure authority).

8. On June 30, 2003, the boating account is expected to have a balance of \$1.5 million. Effective April 1, 2000, the boat registration cycle was increased from two to three years, and the fee schedule changed to maintain the same annualized cost of registration. This altered the revenue flow to the boat account by creating a low-registration third year, in which only revenues from original registrations for boats purchased in that year will be received (primarily effecting state fiscal years 2001-02, 2004-05 and every third year thereafter). As a result, expenditure requests and revenue estimates must be addressed in the context of the three-year cycle to ensure that financial commitments may be met. Therefore, in order to assess whether the boating account contains sufficient revenue to fund additional expenditures, the projected balance of the boat account at the end of the entire three-year cycle must be considered. While the June 30, 2003, balance of the boating account is expected to be approximately \$1.5 million under the bill, it is uncertain whether the expenditure levels under the bill can be maintained in the 2003-05 biennium.

9. The bill would provide \$100,000 annually from tribal gaming revenues for local snowmobile enforcement aids. Eight tribal gaming agreements contain government-to-government memorandum of understanding (MOU) that relate to the use of additional compact payments, and two agreements propose an economic development fund. A common element in most agreements is a provision that the Governor undertake his best efforts within the scope of his authority to assure that monies paid to the state under the agreements are expended for specified purposes. With certain

exceptions, these purposes are: (a) economic development initiatives for the benefit of tribes and/or Native Americans around Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located. Several of the MOU add a fifth purpose relating to either law enforcement or public safety initiatives on the reservations. However, two of the amended compact agreements do not include MOU on government-to-government matters and are silent on the issue of how the state uses tribal gaming revenue. It could be argued that these revenues are unrestricted and may be used for any purpose.

ALTERNATIVES TO BASE

A. Reimbursement Percentage

1. Equalize the eligible reimbursement levels for ATV and snowmobile county enforcement aids at the 75% maximum rate currently established for municipal boating enforcement aids.
2. Maintain current law. (Local snowmobile and ATV enforcement activities would continue to receive up to 100% reimbursement of eligible enforcement expenses; municipalities would receive up to 75% reimbursement of eligible boating enforcement expenses.)

B. Funding Level

1. Approve the Governor’s recommendation to provide \$620,000 annually (\$100,000 PR from tribal gaming revenues, \$200,000 snowmobile SEG, \$20,000 ATV SEG, and \$300,000 boating SEG from the conservation fund) to increase available aid for county and municipal enforcement efforts. (This would allow DNR to fund approximately 100% of eligible reimbursement costs for local snowmobile enforcement efforts, 82% of ATV enforcement efforts, and up to 75% of eligible boating enforcement expenses.)

Alternative 1	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$200,000	\$1,040,000	\$1,240,000
<i>[Change to Bill]</i>	\$0	\$0	\$0]

2. Adopt the Governor’s recommendation. Further, provide an additional \$15,000 annually from ATV SEG. (This would allow DNR to fund up to 100% of eligible reimbursement costs for local snowmobile and ATV enforcement efforts, and up to 75% of eligible boating enforcement expenses.)

Alternative 2	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$200,000	\$1,070,000	\$1,270,000
<i>[Change to Bill]</i>	\$0	\$30,000	\$30,000]

3. Provide \$488,800 annually (\$175,000 snowmobile SEG, \$13,800 ATV SEG, and \$300,000 boating SEG) to increase available funds for local enforcement reimbursements. (This would allow DNR to fund approximately 75% of eligible reimbursement costs for local snowmobile, ATV and boating enforcement efforts. The \$200,000 of tribal gaming revenue allocated under the bill would be available for other purposes.)

Alternative 3	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$0	\$977,600	\$977,600
<i>[Change to Bill]</i>	- \$200,000	- \$62,400	- \$262,400]

4. Provide \$488,800 annually (\$100,000 PR from tribal gaming revenues, \$75,000 snowmobile SEG, \$13,800 ATV SEG, and \$300,000 boating SEG) to increase available funds for local enforcement reimbursements. (This would allow DNR to fund approximately 75% of eligible reimbursement costs for local snowmobile, ATV and boating enforcement efforts.)

Alternative 4	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$200,000	\$777,600	\$977,600
<i>[Change to Bill]</i>	\$0	- \$262,400	- \$262,400]

5. Maintain current law.

Alternative 5	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill]</i>	- \$200,000	- \$1,040,000	- \$1,240,000]

Prepared by: Rebecca Hotynski