



Legislative Fiscal Bureau

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February 27, 2002

Joint Committee on Finance

Paper #1200

General Purpose Revenue for Snowmobiling (DNR)

CURRENT LAW

The Department of Natural Resources administers a snowmobile recreation program to develop and maintain a statewide system of snowmobile trails and to administer and enforce snowmobile laws. The snowmobile account receives revenue from a variety of sources, including fuel tax revenue, registration fees, nonresident trail use sticker sales, registration transfer fees, and safety instruction fees.

GOVERNOR

No provision.

DISCUSSION POINTS

1. The major source of funding for the snowmobile account is the snowmobile fuel tax revenue transferred to the account. An appropriation is made annually, which equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of February of the previous fiscal year multiplied by the number of registered snowmobiles as of the same date, with this result multiplied by 1.4. For 2001-02, \$4.5 million is available for trail aids under the formula.

2. The next largest revenue source for the account is registration fees. These rates were increased under 2001 Act 16 (the 2001-03 biennial budget). A fee of \$30 is assessed for each snowmobile registered for public use in the state. Local governments pay \$5 and commercial users pay \$90 for up to three snowmobiles and \$30 for each machine over three. The registration is valid for two years. Snowmobiles registered in other states or countries need not be registered in Wisconsin if they are in the state for a period of less than 15 consecutive days. Registration fees generated \$2.4 million in revenue to the snowmobile account in 2000-01, and are estimated to

generate \$3.5 million in 2001-02.

3. 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 and to \$18 under 2001 Act 16. Approximately 60,700 stickers were sold in 2000-01, generating \$758,800. Sales of the nonresident trail use sticker are estimated to generate \$955,600 in 2001-02.

4. The following table shows the condition of the snowmobile account of the conservation fund. The account is estimated to have a balance of \$260,000 on June 30, 2003.\

TABLE 1

Snowmobile Account Condition Statement

	<u>2001-02</u>	<u>2002-03</u>
Opening Balance	\$700,000	\$150,000
Revenues	<u>9,400,000</u>	<u>10,080,000</u>
Total Available	\$10,100,000	\$10,230,000
Expenditures	<u>-\$9,950,000</u>	<u>-\$9,970,000</u>
Closing Balance	\$150,000	\$260,000

5. Under 1999 Act 9 (the 1999-01 biennial budget), \$125,000 GPR was provided annually for snowmobile trail aids. Snowmobile associations have argued that, given the amount of tourism related revenue generated by snowmobiling and the level of effort expended by local snowmobile clubs in maintaining the state trail system, it is appropriate that state general funds be provided for snowmobile trails and enforcement efforts.

6. As shown in Table 2, snowmobile trail aids are estimated to total almost \$8.7 million in 2001-02 and over \$8.9 million in 2002-03. This represents a more than 30% increase over funds available for local trail aids in 2000-01. Basic trail aids include maintenance, bridge and trail rehabilitation, and trail relocation projects. In addition, supplemental snowmobile trail aids are available to counties and state properties if eligible costs associated with trail maintenance exceed \$250 per mile and, of the costs incurred, actual trail grooming costs exceed \$130 per mile per year

TABLE 2

Total Snowmobile Trail Aid Appropriations

<u>Fiscal Year</u>	<u>Basic Trail Aids</u>	<u>Supplemental Trail Aids</u>	<u>Total</u>
2001	\$5,151,700	\$1,514,100	\$6,665,800
2002	\$5,898,000	\$2,770,400	\$8,668,400
2003	\$6,613,300	\$2,332,300	\$8,945,600

7. Given the balance of the snowmobile account, \$125,000 GPR annually could be deleted and replaced with snowmobile SEG. This would maintain overall snowmobile trail aids funding at current levels.

ALTERNATIVES TO BILL

1. Delete the appropriation of \$125,000 GPR and provide \$125,000 SEG annually for snowmobile trail aids.

<u>Alternative 1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING	- \$250,000	\$250,000	\$0

2. Maintain current law.

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