



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #469

Recreational Vehicle Reestimates (Miscellaneous Appropriations and Natural Resources -- Forestry, Parks, and Recreation)

[LFB 2017-19 Budget Summary: Page 309, #6; and Page 331, #14]

CURRENT LAW

Annually, motor fuel tax revenue is transferred to the water resources, snowmobile, and all-terrain vehicle (ATV) accounts of the segregated (SEG) conservation fund based on recreational vehicle registrations. Transfers are intended to estimate motor fuel taxes paid by users of such vehicles annually, and to provide for state and local programs related to recreational use of the vehicles.

GOVERNOR

Reestimate the revenue transferred from the transportation fund to the all-terrain vehicle (ATVs and utility terrain vehicles) and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. Table 1 shows budgeted base amounts for the ATV and motorboat formula transfers, and annual reestimates for each under the bill.

TABLE 1

Motor Fuel Tax Transfer Reestimates -- Bill

| | 2017-18 | | | 2018-19 | | |
|------------|-------------------|--------------|-------------------|-------------------|--------------|-------------------|
| | Base | Change | Total | Base | Change | Total |
| ATVs | \$2,085,000 | \$38,600 | \$2,123,600 | \$2,085,000 | \$78,000 | \$2,163,000 |
| Motorboats | <u>13,240,000</u> | <u>3,400</u> | <u>13,243,400</u> | <u>13,240,000</u> | <u>6,700</u> | <u>13,246,700</u> |
| Total | \$15,325,000 | \$42,000 | \$15,367,000 | \$15,325,000 | \$84,700 | \$15,409,700 |

MODIFICATION

Delete \$2,946,200 SEG for changes to the recreational vehicle fuel tax transfers in Table 2 to reflect more recent registration data.

TABLE 2

Recreational Vehicle Fuel Tax Reestimates

| | <u>2017-18</u> | <u>2018-19</u> |
|------------------------|-----------------|-----------------|
| Water Resources | | |
| Bill | \$13,243,400 | \$13,246,700 |
| Change to Bill | <u>-293,300</u> | <u>-106,700</u> |
| Total Reestimate | \$12,950,100 | \$13,140,000 |
| Snowmobile | | |
| Bill | \$5,270,000 | \$5,270,000 |
| Change to Bill | <u>-411,300</u> | <u>-600,000</u> |
| Total Reestimate | \$4,858,700 | \$4,670,000 |
| ATV | | |
| Bill | \$2,123,600 | \$2,163,000 |
| Change to Bill | <u>-231,500</u> | <u>-232,000</u> |
| Total Reestimate | \$1,892,100 | \$1,931,000 |
| UTV | | |
| Bill | \$232,000 | \$232,000 |
| Change to Bill | <u>104,700</u> | <u>119,500</u> |
| Total Reestimate | \$336,700 | \$351,500 |
| Total Change to Bill | -\$831,400 | -\$819,200 |

In addition, reestimate the associated snowmobile, ATV, and utility terrain vehicle (UTV) trail aids appropriations by the same amounts to reflect available fuel tax revenues. Further, reduce the snowmobile supplemental trail aids appropriation to reflect reestimated non-resident trail pass sales. It should be noted that figures in Table 3 represent current estimates for the listed appropriations; however, DNR is authorized to expend all monies received for these local trail aids appropriations.

TABLE 3

DNR Appropriation Reestimates

| | | <u>2017-18</u> | <u>2018-19</u> |
|------------------------------------|---------|----------------|----------------|
| Snowmobile Trail Aids | (5)(cs) | -\$411,300 | -\$600,000 |
| Snowmobile Supplemental Trail Aids | (5)(cw) | -22,500 | -22,500 |
| ATV Trail Aids | (5)(ct) | -231,500 | -232,000 |
| UTV Trail Aids | (5)(gr) | <u>104,700</u> | <u>119,500</u> |
| Change to Bill | | -\$560,600 | -\$735,000 |

Explanation:

Motorboat: The annual transfer to the water resources account is based on: (a) the motor fuel tax rate of 30.9¢ per gallon; (b) the actual 598,712 motorboats registered on January 1, 2017, and an estimated 607,500 motorboats registered on January 1, 2018, each multiplied by 50 gallons; and (c) multiplied by 1.4.

Snowmobile: The annual transfer to the snowmobile account is based on: (a) the motor fuel tax rate of 30.9¢ per gallon; (b) the actual 202,890 snowmobiles registered on March 31, 2017, and an estimated 195,000 snowmobiles registered on March 31, 2018, each multiplied by 50 gallons; and (c) multiplied by 1.55. Including appropriated registration revenues, local snowmobile trail aids would be budgeted at \$8.1 million in 2017-18 and \$7.9 million in 2018-19. Under 2013 Act 142, effective July 1, 2015, a \$30 snowmobile registration fee is valid for three years. Similar to the change from a two-year to a three-year boat registration, this change is expected to result in a low-registration year every third year (fiscal year 2017-18), followed by a low fuel tax transfer year (fiscal 2018-19).

ATV: The annual transfer to the ATV account is based on: (a) the motor fuel tax of 30.9¢ per gallon and (b) the actual 244,934 ATVs registered on February 28, 2017, and an estimated 250,000 ATVs registered on February 28, 2018, each multiplied by 25 gallons. Local ATV trail aids would total approximately \$3.6 million each year.

UTV: The annual transfer to the ATV account for utility-terrain vehicles is based on: (a) the motor fuel tax of 30.9¢ per gallon; and (b) the actual 43,590 UTVs registered on February 28, 2017, and an estimated 45,500 UTVs registered on February 28, 2018, each multiplied by 25 gallons. UTV trail aids would be approximately \$336,000 in fiscal year 2017-18 and \$350,000 in fiscal year 2018-19.

| | Change to | |
|-----|------------------|---------------|
| | Base | Bill |
| SEG | - \$2,702,900 | - \$2,946,200 |

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