



Legislative Fiscal Bureau

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June 6, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: ATV/UTV Communications Equipment Grant Program -- Agenda Item III

REQUEST

On May 2, 2024, the Department of Natural Resources (DNR) submitted a request to the Joint Committee on Finance to transfer \$80,000 conservation fund SEG in 2024-25 from the all-terrain vehicle (ATV) trail and project aids appropriation under s. 20.370(5)(cu) of the statutes to the ATV communications equipment appropriation under s. 20.370(3)(au) of the statutes.

ANALYSIS

The ATV account of the SEG conservation fund supports state programming for ATV and utility terrain vehicles (UTVs), including the maintenance and development of state ATV/UTV trails, ATV/UTV law enforcement, and grants to local governments for ATV/UTV projects. Funding to the account is provided from ATV and UTV registration fees, nonresident trail passes, and a transfer from the transportation fund intended to reflect the amount of motor fuel tax paid by ATV and UTV users.

Revenues from the ATV/UTV fuel tax transfer and a portion of ATV and UTV registration revenues are used to provide grants to towns, villages, cities, counties and federal agencies for any of the following types of motorized recreation projects: (a) land or easement acquisition; (b) motorized recreational vehicle facilities, such as parking areas, riding areas and shelters; (c) development and maintenance of ATV/UTV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs and UTVs. DNR reimburses up to \$600 per mile for the cost of summer trail maintenance and \$100 or \$200 per mile for the cost of winter trail maintenance for ATV-only trails. For trails that support UTV use, an additional \$400 per mile may be awarded.

2019 Wisconsin Act 183 expanded eligibility for ATV trail and project aids to include grants for the purchase of communication equipment and the placement of safety information signs. The act specified that grants could be awarded to nonprofit, nonstock corporations organized in Wisconsin that promote ATV and UTV safety. DNR began awarding grants for these new aids categories in the 2021-22 grant cycle. In total, DNR has awarded \$231,600 for these grants, including \$64,600 in 2021-22 and \$167,000 in 2022-23. All grants have been awarded to NOHVIS, an ATV group that is also the only statutory recipient of the trail safety grant under s. 20.370(5)(cx) of the statutes.

After 2019 Act 183 expanded eligibility for ATV project aids to include communication equipment, the Off-Road Vehicle Advisory Council, a volunteer council that makes ATV and UTV project funding recommendations to DNR, updated project priorities as follows:

- (1) Maintenance of existing approved ATV/UTV off-road trails and intensive use areas;
- (2) Purchase of liability insurance;
- (3) Acquisition of land by easement, lease, or other agreements for the use of land;
- (4) Major rehabilitation of bridge structures or trail segments;
- (5) Development of new off-road ATV/UTV trails;
- (6) Development or major rehabilitation of intensive use areas;
- (7) Purchase and installation of safety signage;
- (8) Development of statewide digital information systems;
- (9) Purchase of communication equipment;
- (10) Acquisition of land in fee and development of new all-terrain vehicle areas and trails.
- (11) Development or major rehabilitation of support facilities (restrooms, campgrounds, trailheads, etc.); and
- (12) Printing of maps (without advertising).

Purchase of communications equipment was given ninth priority. Funding is first allocated to other projects including trail maintenance, land acquisition, and facility development. To provide a more reliable source of funding for ATV and UTV communication equipment, the Legislature created a dedicated appropriation in 2023 Wisconsin Act 67.

The act created a dedicated appropriation for communication equipment grants. However, the act provided no funding. The request would transfer \$80,000 from the ATV trail and project aids appropriation to the ATV communications equipment appropriation in 2024-25 [Alternative 1]. If the transfer is made, funding would be added to the base budget, creating an annual funding source of \$80,000 for the communication equipment grants. The transfer would reduce funding budgeted for ATV/UTV trail and project aids in 2024-25 from \$6,052,300 to \$5,972,300.

As of June 30, 2023, the ATV account had an available balance of \$7,757,700. Account revenues exceeded expenditures by \$939,100 in 2022-23. In recent years, DNR has awarded nearly all available funding for ATV trail and project aids. Additionally, 2023 Act 19 increased the per-mile reimbursement rate for UTV trail maintenance to the levels described previously. A reduction in the funding available for trail and project aids may push DNR to prorate aids, effectively reducing the per-mile reimbursement rate for trail maintenance below the level set by 2023 Act 19. The

Committee could consider transferring funding from the balance of the ATV account to the ATV communication aids appropriation, rather than reducing funding for ATV trail and project aids. The Committee could add funding to the base budget, creating an ongoing source of funding for communication equipment [Alternative 2].

It should be noted that while the ATV account has an unencumbered balance of \$7.8 million, budgeted expenditures exceed estimated revenues to the account in both years of the 2023-25 biennium. The Committee could consider providing \$80,000 in one-time funding in 2024-24 from the balance of the ATV account to the communications equipment appropriation [Alternative 3]. This would allow DNR to fund the 2024-25 program while minimizing the impact on the ATV account. The Legislature could increase revenues to the account or identify a dedicated source of revenues for the ATV communication aids appropriation in the 2025-27 budget process.

If the Committee takes no action [Alternative 4], DNR would be unable to award grants for ATV communication equipment. Since communication aids were made an eligible grant category in 2019 Act 183, DNR has been able to award grants for communications equipment in two grant cycles, 2021-22 and 2022-23. Because 2023 Act 67 transferred communication aids to a new, unfunded appropriation, DNR is currently unable to award grants for communication equipment.

ALTERNATIVES

1. Approve the DNR request to transfer \$80,000 SEG from the ATV trail and project aids appropriation under s. 20.370(5)(cu) of the statutes to the ATV communication aids appropriation under s. 20.370(3)(au) of the statutes in 2024-25.
2. Provide \$80,000 SEG from the balance of the ATV account of the conservation fund to the Committee's supplemental SEG appropriation under s. 20.865(4)(u) for transfer to the communication aids appropriation under s. 20.370(3)(au) of the statutes in 2024-25. Set the base budget at \$80,000.
3. Provide \$80,000 SEG from the balance of the ATV account of the conservation fund to the Committee's supplemental SEG appropriation under s. 20.865(4)(u) for transfer to the communication aids appropriation under s. 20.370(3)(au) of the statutes in 2024-25 as one-time funding.
4. Take no action.

Prepared by: Eric Hepler