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Testimony on 2023 Senate Bill 136

Senator Robert Cowles

Senate Committee on Financial Institutions and Sporting Heritage

August 23rd, 2023

Thank you, Chair Stafsholt and Committee Members, for holding a hearing and allowing me to testify on 2023 Senate Bill 136. This bill raises the cap on the total supplemental snowmobile trail aids which may be received.

Snowmobiling is not only a Wisconsin pastime, but it's a big economic generator in rural areas throughout the state. However, this recreational activity depends on well-maintained trails, and keeping up with trail maintenance costs is becoming a challenge for local governments and snowmobile clubs throughout the state.

Under current law, the Department of Natural Resources (DNR) awards payments of up to a per mile cap for maintenance activities, typically \$300 per mile, on snowmobile trails throughout the state. For actual incurred costs which exceed the basic per mile cap on the trails, which are typically on some of the most popular trails in the state, counties may apply to the DNR's Supplemental Snowmobile Trail Maintenance Program. This program currently allows recipients to claim up to three times the per mile maximum for additional costs incurred for trail maintenance activities. Some expense examples include posting signs, brushing, grooming, maintaining liability insurance, bridge repairs, acquisition of easements or land use agreements, and placement of portable restrooms.

Senate Bill 136 changes the supplemental snowmobile trail aids program to allow applicants to claim up to five times the per mile maximum aid payment. According to the DNR, over the past four years, the average amount of expenses incurred by counties and clubs statewide exceeds the amount of expenses which may currently be claimed and reimbursed by an average of \$212,700 per year. The funding is already available to raise the cap on awards to five times the per mile maximum, as revenues in fiscal year 2021-22 exceeded expenditures by nearly \$1 million. This is consistent with the recent history of the Snowmobile Account, as seven of the past ten fiscal years have seen the amount of funding available exceed the amount of funding distributed to eligible parties.

Increasing the maximum aid payment to five times the per mile cap, while not altering the ability to prorate payments if requests exceed funding available, will help counties and snowmobile clubs to better groom and maintain some of Wisconsin's most scenic trails without requiring the allocation of additional funds.

Senate Bill 136 was introduced based on a request from and with the support of the Association of Wisconsin Snowmobile Clubs. The companion to Senate Bill 136, Assembly Bill 130, was passed by the Assembly Committee on Forestry, Parks and Outdoor Recreation by a vote of 15 to 0 on June 6th.



Association of Wisconsin Snowmobile Clubs – AWSC

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To: Senate Committee on Financial Institutions and Sporting Heritage

From: Lori Heideman, AWSC President

Re: AWSC Support of Senate Bill 136

Date: Aug. 23, 2023

Chairman Stafsholt and Committee Members:

Thank you for the opportunity to testify in support of SB 136. As president of the Association of Wisconsin Snowmobile Clubs, I am here representing our 41,000 members and the 603 snowmobile clubs in the state. It is these clubs and their volunteer members that are responsible for developing and maintaining most of the nearly 25,000 miles of interconnecting snowmobile trails across Wisconsin, which are all open to the public.

AWSC supports SB 136, which will raise the per-mile supplemental trail aids cap to five (5) times the per-mile maximum.

Supplemental snowmobile maintenance payments were originally created in the mid-1980s to provide additional funds for snowmobile trail grooming in high tourism, high snow areas of the state. Supplemental trail aids provide reimbursement for grooming work that has already been completed. Under current law, a county must do the following to be eligible for supplemental snowmobile maintenance payments:

- Spend its entire \$300 per-mile allotment on maintenance
- Spend a minimum of \$200 per-mile on grooming
- The max allowable non-grooming expense is \$250 per mile

According to existing DNR rules, counties are subject to a cap of three (3) times the per mile maximum for eligible snowmobile maintenance activities in calculating the supplemental snowmobile maintenance payment. That means the maximum supplemental maintenance payment is currently \$900 per mile.

SB 136 raises the per-mile supplemental cap to five times the per-mile maximum. This would mean the total eligible per-mile payment would be \$1,500/mile under SB 136.

The need for SB 136 is significant. In the past several snowmobile seasons, a number of high tourism northern counties have exceeded the current law \$900 per mile cap. Additionally, grooming rates were recently increased, which will mean an increase in the number of supplemental claims made by snowmobile clubs in the future.

By making additional funds available for supplemental maintenance payments through SB 136, money that is available in the segregated snowmobile program account can be allocated back to the local clubs that need the funds to maintain trails. To the extent demand for supplemental trail aids ever exceeded supply in the segregated account, payments to clubs would be prorated.

There are protections in place to ensure the clubs are good stewards of these supplemental funds. For instance, all grooming time performed by AWSC volunteers is verified by GPS trackers and recorded in the Snowmobile Automated Reporting System (SNARS), which provides real-time data on the conditions and grooming status of the state's snowmobile trail network.

We want to thank Representatives Callahan and Swearingen and Senators Cowles and Felzkowski for authoring this bill.

We hope to receive the support of this committee to move this legislation forward and we would be happy to take any questions.



Senate Committee on Financial Institutions and Sporting Heritage

2023 Senate Bill 136 *Supplemental Aid for Snowmobile Trail Maintenance* *August 23, 2023*

Good morning, Chair Stafsholt, and members of the Committee. My name is Jillian Steffes, and I am the Motorized Recreational Trails Grant Program Manager in the Bureau of Community Financial Assistance with the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify, for informational purposes, on Senate Bill 136, relating to modifying administrative rules related to supplemental aid for snowmobile trail maintenance and granting rule-making authority.

The Snowmobile Trail Aids program currently provides financial assistance to clubs and counties in the form of a grant of \$300 per mile to help cover the cost of maintaining snowmobile trails. If the actual expenses incurred by the county exceed the \$300 per mile grant, they can apply for supplemental aid to assist with additional grooming expenses. This is especially useful when there are above average snow amounts, or a heavy tourist presence.

Senate Bill 136 would increase the maximum amount a county can receive in supplemental aid for snowmobile trail maintenance. Currently, the maximum a county can receive in trail maintenance aid is three times the per-mile rate, or \$900 per mile, as established under NR 50.09. Under this bill, the maximum would be increased to five times the per-mile rate, or \$1,500 per mile.

The snowmobile gas tax, registration fees and trail pass sale revenues provide the trail aid funding that this program administers. The program currently provides an average of \$8 million annually in trail maintenance aid to counties. We estimate this bill would result in an additional \$235,000 in trail aid requests in an average year. This increase should not have a noticeable impact on the program's financial stability. The additional supplemental aid would help ensure that the counties and clubs that receive the highest volumes of snow in any given year would be eligible to receive reimbursement for their maintenance efforts. If funds are ever insufficient to cover the supplemental requests, the funding is pro-rated, so all applicants receive an equal cost share of their request.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. I would be happy to answer any questions you may have.



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Testimony in Support of Senate Bill 136

Senate Committee on Financial Institutions and Sporting Heritage

August 23, 2023

Chairman Stafsholt, and members of the committee, thank you for holding a public hearing on Senate Bill (SB) 136. I apologize I could not attend in-person, but I know Sen. Cowles and others here are fully capable to answer any questions you may have.

Our state is known as the birthplace of snowmobiling, with 25,000 miles of snowmobile trails and the home of both the World Snowmobile Headquarters and the World Championship Derby Complex. Folks from all over, as well as in-state residents, heavily utilize these trails. Snowmobiling is an awesome tourism generator and economic engine in our state, but in order to keep it going strong, these trails need to be maintained.

Unfortunately, local governments along with the snowmobile clubs are struggling to keep up with the rising costs to maintain these trails. The Wisconsin Department of Natural Resources (DNR) through the promulgation of administrative rules has set a cap on the total possible supplemental snowmobile trail aid a county may receive. Our proposal raises this cap from three times the per-mile maximum to five times the per-mile maximum, which equates to \$900 and \$1,500, respectively. Using funds already available in the DNR snowmobile program account to support this increase, this is a no-brainer.

Thank you again for this opportunity to submit written testimony in support of SB 136. This would be a huge help to the snowmobile clubs, counties, and tourism around Wisconsin. Its Assembly counterpart passed through committee by a unanimous vote of 15-0, so I look forward to seeing your support on this proposal, as well.