



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #475

ATV Landowner Incentive Program (DNR -- Fish, Wildlife, and Recreation)

CURRENT LAW

While current law requires the Department of Natural Resources (DNR) to establish a program to make incentive payments to private landowners who permit public all-terrain vehicle (ATV) corridors on their lands and who apply for the payments, the Department has not established such a program.

GOVERNOR

No provision.

DISCUSSION POINTS

1. 2007 Act 20 created an ATV landowner incentive program and redirected all non-resident trail pass revenues from the local trail aids appropriation to a continuing appropriation for landowner incentive program payments beginning in 2008-09. The program would provide grants to private landowners who permit public all-terrain vehicle corridors on their lands. Landowners may receive annual incentive payments at the following rates based on the number of days the trail was open for public use during the previous fiscal year: \$25 for each mile that was open for public use for at least 60 but less than 180 days; (b) \$75 for each mile that was open for public use at least 180 days but less than 270 days; or (c) \$100 for each mile that was open for public use for 270 days or more.

2. Non-resident trail pass sales are a major source of revenue to the ATV account (in addition to a transfer of motor fuel tax and ATV registrations). 2011 Act 208 broadened this pass to cover utility terrain vehicles (UTVs) as well as ATVs (2007 Act 20 increased the fee for the annual sticker from \$18 to \$35). In addition, 2011 Act 208 created a five-day ATV or UTV trail pass for a

fee of \$20, effective July 1, 2012. ATVs and UTVs not registered in Wisconsin are required to display a trail use sticker to use public ATV corridors. The trail pass must be attached to the ATV or UTV in a highly visible location on the forward half of the vehicle. Act 208 also changed the expiration date of the annual trail passes from June 30 to March 31 of each year. In fiscal year 2013-14, 1,171 five-day non-resident trail passes and 12,711 annual non-resident trail passes were sold generating a total of approximately \$461,600 in revenue.

3. The ATV landowner incentive appropriation was converted to a biennial appropriation by 2011 Act 32, whereby the amount specified in the appropriation schedule, is the amount, from revenues from non-resident trail pass sales, which may be committed from the appropriation each biennium. Any remaining uncommitted balance at the close of the biennium, and any revenues from the annual sale of non-resident trail passes beyond the amount in the appropriation schedule, are deposited to the balance of the ATV account. No landowner incentive grants were awarded in fiscal years 2008-09 through 2010-11. As a result, 2011 Act 32 lapsed \$1,299,900 from the appropriation to the balance of the segregated ATV account in 2011-12.

4. No landowner incentive grants have ever been awarded under the program. While \$405,900 is appropriated for these grants in fiscal year 2014-15, DNR indicates the Department does not plan to award any landowner incentive grants in fiscal year 2014-15, meaning the full biennial amount of \$811,800 would lapse to the balance of the ATV account at the close of fiscal year 2014-15. Further, DNR indicates the Department does not plan to award any landowner incentive grants over the 2015-17 biennium.

5. The Department is advised on ATV matters by the Off-road Vehicle (ORV) Council. According to DNR, over the last few years, the Council has not indicated any local interest in the landowner incentive grant program. As there does not appear to be demand for the ATV landowner incentive grants, the statutory program language could be deleted. Non-resident trail pass revenues would then be deposited in the balance of the ATV account. Under Alternative 1 (and under the bill, as DNR indicates the \$811,800 in authorized grants under the land owner incentive program would lapse on June 30, 2017), the ATV account could be expected to have a closing available balance of approximately \$1.4 million on June 30, 2017.

6. Given the anticipated balance of the account, another alternative could be to redirect a specified amount associated with the non-resident trail pass revenues to the local ATV trail aids appropriation. Currently, revenues from the ATV fuel tax transfer, and a portion of ATV registration and trail pass revenues are used to provide grants to towns, villages, cities, counties and federal agencies for any of the following types of ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas and shelters); (c) development and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs and UTVs. Non-resident trail passes (including the five-day trail pass) are expected to generate approximately \$425,000 in fiscal year 2014-15. If \$425,000 in nonresident trail pass revenues were to be redirected to local ATV trail aids, the account would be expected to have an available closing balance of approximately \$550,000 on June 30, 2017 [Alternative 2]. This would provide an approximately 11.5% increase for local trail aids (from just over \$3.7 million each year to over \$4.1 million).

7. In order to provide a more modest increase, \$225,000 annually (6%) could be provided [Alternative 3]. In addition, this would provide a cushion in case of fluctuation in trail pass revenues. Under this alternative, the account could be expected to have a closing available balance of approximately \$950,000 on June 30, 2017.

ALTERNATIVES

1. Repeal the ATV landowner incentive program and delete the \$405,900 annual appropriation. (All revenues from non-resident trail pass sales would be deposited to the balance of the ATV account.)

ALT 1	Change to Bill
SEG	- \$811,800

2. Repeal the ATV landowner incentive program and associated \$405,900 annual appropriation. Instead, provide an additional \$425,000 annually for local ATV trail aids (the estimated amount of non-resident ATV trail pass revenue deposited in the account).

ALT 2	Change to Bill
SEG	\$38,200

3. Repeal the ATV landowner incentive program and associated \$405,900 annual appropriation. Instead, provide an additional \$225,000 annually for local ATV trail aids.

ALT 3	Change to Bill
SEG	- \$361,800

4. Take no action. (The \$405,900 amount appropriated annually and related statutory language authorizing the ATV landowner incentive program would remain. Any uncommitted balance at the close of each biennium, estimated at the full \$811,800 in 2015-17, would lapse to the balance of the ATV account.)

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