

Attachment 1: Economic Impact Analysis

Comments received for:

ch. NR 50 (County Snowmobile Aids) and ch. NR 64 (All-Terrain Vehicles), Wis. Adm. Code.
 Natural Resources Board Order CF-16-11 (Permanent Rule)

STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION DOA 2049 (R 07/2011)		
ADMINISTRATIVE RULES FISCAL ESTIMATE AND ECONOMIC IMPACT ANALYSIS		
Type of Estimate and Analysis		
<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected		
Administrative Rule Chapter, Title and Number		
chs. NR 50, County Snowmobile Aids, and NR 64, All-Terrain Vehicles (ATVs)		
Subject		
Revise bridge design, signage requirements, and trail maintenance reimbursement rates; define trail/route combinations.		
Fund Sources Affected		Chapter 20, Stats. Appropriations Affected
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG SEG-S		ss. 20.370(5)(cq), (cs), (ct), (cu), Wis. Stats.
Fiscal Effect of Implementing the Rule		
<input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Costs
The Rule Will Impact the Following (Check All That Apply)		
<input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Local Government Units	<input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Public Utility Rate Payers	
Would Implementation and Compliance Costs be Greater than \$20 million?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Policy Problem Addressed by the Rule		
<ul style="list-style-type: none"> Standards for existing trail structures (e.g., bridges) do not accommodate the width and weight of modern grooming equipment. Existing easement terms for land under trail structures are not consistent with the cost of present-day structures. Inconsistency between the snowmobile and ATV vehicle grant programs for bridge specifications. Existing per-mile reimbursement rate for local governments for summer ATV trail maintenance is not compatible with current costs. Trail signage is not season-specific. Existing rules have no definition for trail/route combination; these hybrids (called "troutes") have been in use in WI for several years. 		
Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)		
<ul style="list-style-type: none"> No economic or fiscal impact is anticipated for public utility rate payers or the State's economy as a whole. Funding for both grant programs comes from Segregated accounts and not from General Purpose Revenue. No tax increase will be needed to implement the proposed rule revisions. The majority of businesses possibly impacted by this rule are those that manufacture structures to be used on trails. In particular, a group of Wisconsin small businesses have adapted their products to be used specifically in off-road conditions. Bridges constructed to higher standards may cost more to build; we 		

Attachment 1: Economic Impact Analysis

Comments received for:

ch. NR 50 (County Snowmobile Aids) and ch. NR 64 (All-Terrain Vehicles), Wis. Adm. Code.
Natural Resources Board Order CF-16-11 (Permanent Rule)

expect that any increased costs will be rolled into the sales price. Grant funds will continue to be awarded to successful applicants to cover a percentage of total project costs, even if those costs are higher due to the improved standards.

- It is more likely that some local governmental units may be impacted by the proposed rule revisions. As a result, comments about possible economic and fiscal impacts of the proposed rule revisions were specifically solicited directly from 80 individuals, 48 of whom represented Wisconsin counties that contain active snowmobile and/or ATV trails. The remaining represent the following organizations:
 - Governor’s Snowmobile Advisory Council
 - Off Road Vehicle Advisory Council
 - Wisconsin All-Terrain Vehicle Association
 - Wisconsin County Foresters Association

A total of seven comments were received and are summarized as follows:

- Comments ranged from “no negative effect on economic competitiveness, productivity, or jobs” to “minimal adverse effects”. (See Attachment 1 for list of all comments received.)
- One commenter felt that increasing the minimum easement term on private lands when grant funding is provided for a bridge would be a negative impact because extra work would be required of county staff to secure longer-term easements from private landowners. However, that same commenter also indicated that the extra time spent securing the longer-term easement would be time well invested as it would provide for more permanence to the locations of trails.
- In addition to direct requests for comments, other interested parties were invited via the ATV and snowmobile web pages to provide economic and fiscal estimate comments about the proposed rule revisions. No comments were received from “other” parties.
- The Department provided written clarification to one commenter regarding the difference between the Department’s permanent rule revision efforts and a parallel, ongoing emergency rule just about “troutres”.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

I. Benefits include:

- Sustainability of rider safety on existing snowmobile and ATV trails.
- Encouragement of tourism in local communities; support of local economies; increased snowmobile and ATV equipment sales.
- Satisfaction of Governor’s Snowmobile Advisory Council, Off Road Vehicle Advisory Council, Wisconsin All-Terrain Vehicle Association, Wisconsin County Foresters Association, and various Wisconsin counties where active snowmobile and/or ATV trails are located.
- Potential for expansion of the WI trail system.

II. Alternatives to the proposed revisions to chs. NR 50 and NR 64 are as follows:

A. Maintain the *Status Quo*

This alternative means no increase in bridge construction requirements, no signage improvements, and no per-mile increase in trail maintenance reimbursements. This alternative is rejected because the Snowmobile Recreation Council, Off-road Vehicle Advisory Council, and WI ATV Association have requested all the proposed changes for the last five years. DNR staff vacancies and workload kept these changes from being made before now. In addition, refusal to increase reimbursement rates to keep up with actual costs is causing counties to have to pay the difference. County budgets are stretched to the point where some trail maintenance may have to be delayed. Refusal to increase reimbursement rates may result in improperly maintained trails, possible trail safety issues, a diminished recreational experience as a result, decreased visitor traffic, and decreased visitor revenues for local economies.

B. Pursue some but not all of the proposed rule revisions

This alternative would require us to eliminate some proposals. All proposals involve public safety in some way and are a “package”. This alternative is rejected because the Snowmobile Recreation Council, Off-road

Attachment 1: Economic Impact Analysis

Comments received for:

ch. NR 50 (County Snowmobile Aids) and ch. NR 64 (All-Terrain Vehicles), Wis. Adm. Code.
Natural Resources Board Order CF-16-11 (Permanent Rule)

Vehicle Advisory Council, and WI ATV Association have requested all the proposed changes for the last five years. DNR staff vacancies and workload kept these changes from being made before now. In particular, refusing to increase reimbursement rates mean that stretched county budgets might result in trail maintenance delays. Refusal to increase reimbursement rates may result in improperly maintained trails, increased safety risks, a diminished recreational experience as a result, decreased visitors traffic, and decreased visitor revenues for local economies.

C. Pursue additional rule revisions

This alternative is rejected because it is beyond the scope requested by the Snowmobile Recreation Council, Off-road Vehicle Advisory Council, and WI ATV Association. Higher bridge standards would require additional research. Increasing the per-mile reimbursement rate beyond that requested in light of limited fee revenues would mean fewer maintenance miles statewide and might be harmful to the overall trail system. Increase snowmobile or ATV license fees to make up revenue shortfalls due to increased per-mile reimbursement rates would be contrary to legislative directives and would be a penalty to snowmobile and ATV riders.

Long Range Implications of Implementing the Rule

- Snowmobile Recreation Council, Off-road Vehicle Advisory Council, and WI ATV Association receive the satisfaction they have been seeking.
- By increasing the state per-mile reimbursement rate for maintenance of summer ATV trails, counties can be reimbursed closer to 100% of their actual trail maintenance costs. Improving the state reimbursement rate ensures that trails will be maintained. Poorly maintained trails result in safety concerns. Economic opportunities are lost when poorly maintained trails are closed due to safety concerns. Increasing the per-mile reimbursement rate will mean fewer poorly maintained trails, fewer trail closures, and greater snowmobile and ATV rider safety.
- Bridge designs would be safer.
- Easement terms would be longer in keeping with the cost of more expensive bridges.
- Trail signage would be improved, increasing rider safety.
- Trail+route combinations (called “troutes”) would be legally defined; troutes would be eligible for trail maintenance reimbursement.

Compare With Approaches Being Used by Federal Government

None are known.

Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Bridge Design Load requirements: No bridge design load limits were found in adjacent states.

Length of Easements or Lease Agreements: Michigan requires an easement of not less than five years for bridge projects or any improvements located on private land costing more than \$10,000. Minnesota has a 3-month minimum easement length for all off-road vehicle grant programs. No other adjacent states require minimum easement terms.

Expenditure Threshold Before Counties are Eligible for Supplemental Snowmobile Grants: No per-mile maintenance expenditure threshold could be found in adjacent states.

Combination Trail and Route trails (also called “troutes”): Only Michigan allows ATVs on both trails and routes.

Higher per-mile Rates for Summer Trail Maintenance: Only Michigan allows for higher spring and summer maintenance reimbursement rates for trails.

ATV Trail Seasonal Signage: Only Illinois has seasonal signage requirements for their Off Highway Vehicle Program. In Illinois, grantees are responsible for posting appropriate signage.

Name and Phone Number of Contact Person

Diane Conklin, DNR ATV and Snowmobile Grant Manager, 715-822-8583

Attachment 1: Economic Impact Analysis

Comments received for: chs. NR 50, County Snowmobile Aids and NR 64 All-Terrain Vehicles, Wis. Adm. Code.

Natural Resources Board Order CF-16-11 (Permanent Rule)

Comment Date	Provided By:	Question 1	Question 2	Question 3	General Comments
		Any implementation or compliance costs you would expect to incur.	Quantifiable benefits of the proposed rule.	How the proposed rule would adversely affect in a material way your overall economic competitiveness, productivity, or jobs.	
10-28-2011	Jackson County – Jon Schweitzer				Hooooooray
11-02-2011	Clark Co – Joshua Pedersen				Thanks Diane! Looks like this proposed code change is an advantage to the counties out there. Can't see anything in what I have read that I am opposed to.
11-04-2011	WATVA (WI All-Terrain Vehicle Association) - Randy Harden	We expect that the NR64 rules changes would not incur any implementation or compliance costs for our organization of Wisconsin ATV clubs	As a benefit of instituting the NR64 rule changes for ATV, we will see an increase of trails and opportunities to ride ATVs and UTVs. Because of the increase in funding available for "Troutes" and maintenance reimbursement, the trails can be better managed, resources protected, thus the ATV enthusiast will have a more satisfying recreational experience. This in turn will encourage visitors to return to these areas which will result in more tourism business for the communities serving ATV and UTV riders. Subsequently, the amount of new purchasers buying riding equipment will also increase, allowing many motorsports dealers and manufacturers to expand their business tremendously while increasing the state's tax revenue. As a result, the increase in all related tourism business in the communities and additional vehicle sales will be an irrefutable boost to Wisconsin's economy	We expect that the NR64 rule changes would have no negative effect on our economic competitiveness, productivity or jobs.	
11-09-2011	Washburn Co – Mike Peterson	We anticipate no implementation cost to the proposed changes to NR 64 or NR 50.	Washburn County would benefit from the changes to NR 64 due to increased funding available to maintain safe ATV trails as well as having funds available to deal with dust issues associated with ATV trails in urban areas. Currently we are using County funds and labor to fill the "gap" between ATV trail maintenance costs and the current maintenance grant rate that we receive. In addition, the creation of ATV Routes (Troutes) would allow us to provide more miles of ATV trail and attract additional tourism to the area. Changes to NR 50 are beneficial as they allow us to build bridges on snowmobile trails that accommodate heavier grooming equipment.	The proposed rule changes to NR 64 and NR 50 would have minimal adverse impacts on our program. The only adverse impact would be requirements for minimum length of easements on private lands where the grant programs provide funding for bridges. It creates an additional step and extra work in securing longer term easements or agreements on these structures, but the extra work would be time well invested that provides more permanence to the locations of our trails.	

Attachment 1: Economic Impact Analysis

Comments received for:

ch. NR 50 (County Snowmobile Aids) and ch. NR 64 (All-Terrain Vehicles), Wis. Adm. Code.
 Natural Resources Board Order CF-16-11 (Permanent Rule)

Comment Date	Provided By:	Question 1	Question 2	Question 3	General Comments
11-09-2011	WCFA (WI County Foresters Association) - Jane Severt	Our member counties do not expect to incur implementation or compliance costs associated with the proposed changes to NR50 and NR64	NR64 - The proposed increase in per mile ATV trail summer maintenance reimbursement would benefit our member counties that provide opportunities for summer ATV trails. The current reimbursement rate is inadequate and counties often supplement ATV trail maintenance costs with county tax dollars to keep trails in safe and usable condition. Our association has been asking for an increase in per mile ATV trail maintenance reimbursement for over five years; we welcome the proposed changes. Proposed language allowing for the creation of a new trail category, "troutes", will allow for additional development of ATV trails providing the potential for recreational economic growth in some of our member counties. NR50 - Increasing snowmobile bridge load design would provide economic benefit to counties and snowmobile clubs currently assuming additional costs associated with building bridges to accommodate the weight of modern grooming equipment; at the present time grants only allow for construction of bridges designed to carry a 12,000 lb load.	No adverse effects to member counties are anticipated with the proposed changes	
11-14-2011	Oconto County - Robert Skalitzky	Oconto county would anticipate no implementation cost to the proposed changes in NR 64 or NR 50.	Oconto County would benefit from the changes to NR 64 due to increased funding available to maintain safe ATV trails. Currently, ATV clubs are exceeding their dollars per mile to do the required trail maintenance. The creation of ATV Routes (Troutes) would provide the clubs with additional funds for necessary connecting road routes. Changes to NR 50 are beneficial as this allows bridges on snowmobile trails that accommodate heavier grooming equipment.	The proposed rule changes to NR 64 and NR 50 would have minimal adverse impacts on our program.	
11-14-2011	Polk Co – Jeremy Koslowski	We anticipate no implementation cost to the proposed changes to NR 64 or NR 50.	Polk county would benefit greatly from the proposed changes in NR 64 due to increased reimbursement rate for summer ATV trail maintenance. This will allow us to continue to provide safe trails for ATVs. The trails should even improve with the increased funding as current funding rates have been inadequate. We also support the 'troute' language. Polk county also supports increasing the snowmobile bridge design load from 12,000 to 14,000 listed in NR50.	We do not anticipate any adverse effects with the proposed changes.	