



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #482

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

[LFB 2011-13 Budget Summary: Page 316, #13]

CURRENT LAW

The 2007-09 budget created the ATV landowner incentive program, administered by DNR, and redirected all non-resident trail pass revenues from the local trail aids appropriation to a continuing appropriation for landowner payments for the program beginning in fiscal year 2008-09. The program is to 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: (a) \$25 for each mile that was open for public use for at least 60 but not 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.

In addition, 2009 Act 175 created a utility terrain vehicle (UTV) pilot program with UTV registration fees (estimated at \$20,000 annually) appropriated for administration of the program. The UTV program sunsets on June 30, 2012.

GOVERNOR

Lapse \$894,000 from the appropriation for the ATV landowner incentive program to the balance of the ATV account of the conservation fund in 2011-12. In addition, convert the appropriation from continuing to specify that the amount in the appropriation schedule is the amount that may be committed from the appropriation each biennium. Any uncommitted balance in the appropriation would lapse to the balance of the appropriation at the close of the biennium. Further, the bill would maintain base-level funding of \$20,000 SEG in each year for the UTV pilot program.

DISCUSSION POINTS

1. No landowner incentive grants were awarded in fiscal years 2008-09 or 2009-10. The appropriation ended fiscal year 2009-10 with a continuing balance of \$894,700. The bill would lapse \$894,000 from the appropriation for ATV landowner incentive grants to the balance of the ATV account. In addition, the bill would convert the appropriation to a biennial appropriation, where the amount in the appropriation schedule would be the maximum DNR could award for ATV landowner incentive grants (from ATV trail pass revenues) each biennium. Further, the administration indicates it intended that any uncommitted balance in the appropriation at the close of the biennium lapse to the balance of the ATV account; rather than remaining in the balance of the grant appropriation. In addition, the bill maintains base-level funding of \$20,000 SEG in 2012-13 for the UTV program, although this program sunsets on June 30, 2012. This funding should be deleted. (These corrections are included in Alternative 1).

2. The ATV account would be projected to have a negative available balance of approximately \$396,000 on June 30, 2013 under the bill as shown in the following table.

Estimated All-Terrain Vehicle Account Condition Statement Under Bill

	<u>Actual</u> <u>2009-10</u>	<u>Estimate</u> <u>2010-11</u>	<u>Bill</u> <u>2011-12</u>	<u>Bill</u> <u>2012-13</u>
Opening Balance	\$5,615,300	\$5,263,900	\$4,804,000	\$4,064,600
Revenue	<u>5,573,100</u>	<u>6,275,000</u>	<u>6,190,100</u>	<u>6,352,600</u>
Total Available	\$11,188,400	\$11,538,900	\$10,994,100	\$10,417,200
Expenditures	\$5,924,500	\$6,734,900	\$6,929,500	\$6,927,600
Cash Balance	\$5,263,900	\$4,804,000	\$4,064,600	\$3,489,600
Encumbrances/Continuing Balances	\$4,799,600	\$4,799,600	\$4,799,600	\$3,905,600
Lapse	<u>0</u>	<u>0</u>	<u>-894,000</u>	<u>-20,000</u>
Total Reserved	\$4,799,600	\$4,799,600	\$3,905,600	\$3,885,600
Available Balance	\$464,300	\$4,400	\$159,000	-\$396,000

3. The fiscal year 2010-11 expenditure figure includes \$405,900 appropriated for ATV landowner incentive grants. However, DNR indicates that no incentive grants will be awarded in fiscal year 2010-11. Given the projected negative available balance of the ATV account and the Department's indication that no ATV landowner incentive grants will be awarded in fiscal year 2010-11, another option would be to lapse the \$405,900 appropriated for the landowner incentive grants in fiscal year 2010-11 to the balance of the ATV account in addition to the \$894,000 lapse under the bill (Alternative 2). This would result in an anticipated available balance in the ATV account of approximately \$10,000 on June 30, 2013. The Department indicates they will begin

awarding ATV landowner incentive grants in fiscal year 2011-12, with a likely application deadline of September 15, 2011, and grant awards announced in November 2011. According to DNR grant officials, the Department anticipates the demand for ATV landowner incentive grants is likely to utilize all available funding. Should eligible grant applications exceed available funding, DNR indicates it would prorate grant awards.

ALTERNATIVES

1. Adopt the governor's recommendation to lapse \$894,000 SEG from the appropriation for the ATV landowner incentive program to the balance of the ATV account. However, modify the bill to specify that the amount in the appropriation schedule is the amount, from revenues from non-resident ATV trail pass sales, which may be committed from the appropriation each biennium. Any uncommitted balance in the appropriation would lapse to the balance of the ATV account at the close of the biennium, and any revenues from the sale of non-resident ATV trail passes beyond the amount in the appropriation schedule, would be deposited to the balance of the ATV account annually. In addition, delete \$20,000 SEG in 2012-13 to reflect the repeal of the UTV pilot program appropriation.

ALT 1	Change to Bill Funding
SEG	- \$20,000

2. Adopt the Governor's recommendation as modified (Alternative 1). Further, lapse an additional \$405,900 SEG from the ATV landowner incentive program to the balance of the ATV account in 2011-12. (\$1,299,900 SEG would be lapsed to the balance of the ATV account in 2011-12 in order to maintain a positive account balance.)

ALT 2	Change to Bill Funding
SEG	- \$20,000

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