



# Conservation Fund

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# Conservation Fund

## Introduction

The conservation fund is a segregated (SEG) trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). DNR programs supported by conservation fund revenues include wildlife and fish management, forestry, the state parks system, the endangered resources program, and several recreational vehicle programs. The conservation fund also supports programs and operations in other agencies, including the Lower Wisconsin State Riverway Board, the Kickapoo Reserve Management Board, the University of Wisconsin System, the State Historical Society and the Departments of Commerce, and Agriculture, Trade and Consumer Protection.

The fund is defined under s. 25.29 of the Wisconsin Statutes. Conservation fund revenues may only be expended under the appropriation authority provided by the Legislature. The Department cannot transfer funds between appropriations. At the end of each fiscal year, unexpended amounts in most conservation fund appropriations lapse to the balance of the fund.

State and federal law require that some types of conservation fund revenues be used exclusively for particular activities. In addition, the statutes require that all monies received through DNR resource management, enforcement and local support activities be credited to the program which generated them. Therefore, separate accounts within the conservation fund have been administratively created to facilitate its management. One account, into which snowmobile program revenues are deposited, is designated by statute. Other accounts may be referenced in

statute, but are not defined.

The subdivision of the conservation fund into separate accounts differs from the practice used for most other state segregated funds. For example, the state transportation fund is not split into separate accounts. The accounts within the conservation fund enable DNR to ensure that revenues are utilized for authorized purposes. In addition, the accounts system is useful in developing budgets for each program area.

The conservation fund is divided into the following 10 accounts:

- fish and wildlife
- forestry
- parks
- water resources
- snowmobile
- boat registration
- all-terrain vehicle
- endangered resources
- natural resources magazine
- motorcycle recreation

This paper contains information on revenue sources for each account and the appropriations provided for specific programs during the 2003-05 biennium. The estimated 2003-05 condition statement for the conservation fund is included as Appendix I. Descriptions of program changes resulting from recent legislation are also included.

In reviewing the revenue and expenditure data, the reader should note five points. First, although certain federal revenues received by the state are deposited in the conservation fund, these revenues are not included in discussions of revenues to each account or included in revenue totals. These estimated revenues are credited to separate federal appropriations. Second, several of the programs funded from the conservation fund also receive funding from general purpose revenue (GPR) or program revenue (PR), which are also credited to separate appropriations and are not generally

discussed in this paper. Third, budgeted expenditures may exceed actual and estimated revenue amounts for some of the accounts during the 2003-05 biennium. This can occur when an account has a positive, uncommitted balance from a previous fiscal year and part of this balance is appropriated to fund program activities in the next fiscal year. Fourth, the amounts identified as revenue estimates for the 2004-05 fiscal year are primarily based on those submitted by DNR as part of its 2003-05 biennial budget request. These revenue estimates are typically reviewed and may be modified by the Department of Administration in developing the Governor's budget and again by the Legislative Fiscal Bureau during legislative deliberation of the biennial budget. Fifth, some revenue sources and expenditure categories, such as licensing and administration, are common to more than one account in the conservation fund, and are discussed in a separate section rather than under the individual accounts.

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## Fish and Wildlife Account

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### Revenue

**General Account Revenue.** The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing and special licenses and stamps. There are a wide variety of licenses authorizing residents and nonresidents to hunt and fish. Hunting and fishing licenses vary according to the type of species that may be pursued, the method of pursuit, the number of people for whom the license is valid and the time period for which the license is valid. To hunt or fish certain species (such as turkey or trout), a stamp must be purchased in addition to the license.

Most licenses may be purchased directly from DNR or from sales agents appointed by the Department (such as sporting goods stores,

discount stores and bait shops), although certain licenses are only available through the Department. An issuance fee of 75¢ for each license and 25¢ for each stamp is included in the purchase price. Previous to 2001 Act 16, a sales agent retained 50¢ for each license and 15¢ for each stamp that is sold. However, effective March 1, 2002, compensation for sales agents increased. In addition to receiving the issuance fee, beginning in license year 2002, sales agents also retain 50¢ for each transaction provided through the Automated License Issuance System (ALIS), as well as 50¢ for each "Zone T" antlerless deer hunting permit issued. Both the issuance and transaction fees are deducted from the amount of license revenue retained by DNR. As such, the change did not increase the cost of purchasing a license.

[A deer management unit may be designated as a "Zone T" unit if the deer population in the geographical area (deer management unit) remains at least 20% over carrying capacity despite normal efforts to reduce the number of deer. "Zone T" units are subsequently designated for special seasons and other deer harvest techniques (such as antlerless-only or earn a buck programs) in an attempt to reduce the estimated deer population of that area closer to the unit's carrying capacity. When the deer population is estimated to have been reduced below that threshold, its "Zone T" status may be removed.]

Prior to 1997 Act 27, county clerks were able to appoint sales agents and to keep the remainder of the issuance fee. As part of the licensing automation initiative approved in that act, this authority was removed. In 2004-05, \$3,696,300 is appropriated for the operation of the Automated License Issuance System.

Agents contracting with DNR to operate ALIS terminals were also authorized to collect and retain the handling fee that DNR is authorized to charge for handling costs (such as credit transaction fees, mailing and personnel costs) if the individual



purchases a license using a credit card. Currently, this fee is \$3. License year 1999 (April, 1999, through March, 2000) was the ALIS system's first year of operation. Over 1,500 agents contracted with DNR to operate ALIS terminals, including gas stations, marinas, sporting good stores, and chain stores (such as Wal-Mart and Mills Fleet Farm). By license year 2004, the number of independent ALIS agents decreased to 1,419. Currently, there are 205 different licenses and approvals issued through ALIS. During license year 2003 (April, 2003, through March, 2004), almost 4.5 million licenses were sold through ALIS to over 2.1 million customers. Approximately \$60.7 million in revenue was collected in license year 2003 from ALIS transactions.

Combination licenses, which provide holders the privileges of several individual licenses, are also available. The sports license provides the holder all the privileges of the fishing license and the small game and deer hunting licenses. The conservation patron license provides the holder with a number of hunting, fishing and other recreational privileges. In addition, a junior sports and junior conservation patron license were created under 2003 Act 33. These licenses carry the same privileges as the existing conservation and sports licenses, but are available for a reduced fee to individuals between the ages of 12 and 17 years of age. The junior combination licenses are available to both residents and non-residents for the same fee. While most of the revenue from conservation patron license sales is retained in the fish and wildlife account, a portion of the revenue is transferred to the forestry, parks and natural resources magazine accounts of the conservation fund to reflect the revenue from the license attributable to the privileges related to those accounts.

Appendix II identifies the current fee assessed for major recreational hunting and fishing licenses and the number sold during 2003-04 as reported by DNR's Bureau of Customer Service and Licensing.

2003 Act 33 increased certain hunting and fishing license fees, effective April 1, 2004.

Under 2001 Act 109, DNR was provided the authority to establish an elk hunting season. The Department was also directed to establish an elk hunter education course, which would be a mandatory requirement prior to participating in an elk hunt. Fees for the elk hunting licenses are currently set at \$45 for residents and \$251 for non-residents (including a 75¢ issuing fee and \$1 wildlife damage surcharge). Individuals interested in purchasing an elk hunting license would be required to pay a \$3 processing fee when applying. Successful applications would be chosen on a random basis if the number of applications exceeds the available number of permits. Non-residents would be eligible to receive 5% of elk hunting licenses remaining after 100 tags were provided to residents. Elk populations within the state have not yet reached sufficient levels to support a hunting season.

As a condition of receiving federal aid under the Sport Fish Restoration Act and the Wildlife Restoration Act, federal law requires that revenues received from hunting and fishing licenses not be diverted to purposes other than administration of the state fish and wildlife agency (in Wisconsin, the Department of Natural Resources). Federal aid is apportioned to each state based on the number of paid license holders and the land and water area of the state. To have a license sale recognized in the formula for determining federal aid, the state must charge a fee for a license sufficient to produce net income to the state after deducting reasonable fees for sales agents.

The Department also currently charges a \$3 permit application fee for the following permits: (a) hunter's choice deer hunting; (b) bonus deer hunting (with the fee waived under some circumstances); (c) bobcat hunting and trapping; (d) otter trapping; (e) fisher trapping; (f) Canada goose hunting; (g) wild turkey hunting; (h) sharp-

tailed grouse hunting; and (i) Class A bear license. Some of these fees can be waived for holders of the conservation patron license.

Revenue from sales of bonus deer hunting tags were higher in fiscal year 2003-04 (\$2.41 million) than in fiscal year 2002-03 (\$2.32 million) despite participation in special "Zone T" hunts during the fall 2003 deer hunting season.

In an effort to lower deer populations in widespread areas, DNR authorized additional antlerless deer seasons in 2004 for gun hunters from October 28 through October 31 in 74 of the state's 135 deer management units (55%). A second antlerless season was authorized for 52 deer management units from December 9 through December 12, which includes selected deer management units south of Highway 8. All hunters received one free "Zone T" antlerless permit when they purchased a deer-related license for the 2004 hunting season. Approximately 64,600 antlerless deer were harvested during the October "Zone T" season (an increase of 24,000 deer over the 2003 October "Zone T" season).

In addition to licenses purchased primarily for recreational activities, several types of licenses are required for specialized commercial fish and game activities. These include guide and sport trolling approvals, fur dealer and taxidermist licenses, commercial fishing and clamming approvals, fish and bait dealing approvals, wild animal and natural-waters fish farming approvals and licenses for wild rice harvesting and dealing.

#### *Chronic Wasting Disease (CWD)*

Between 1999 and 2001, DNR tested over 1,000 deer throughout the state for CWD. However, no positive samples were identified prior to the 2001 gun deer season. In that year, three bucks harvested from deer management unit 70A (which includes portions of Dane and Iowa Counties) tested positive for the disease. Through November,

2004, approximately 68,100 samples from deer were submitted for testing. Of the test results received as of December 1, 2004, 339 deer have generated positive test results for CWD.

In response to DNR's request for assistance, the Governor called a special session of the Legislature in May, 2002, to address the issue, and the Legislature passed 2001 Act 108 to address issues concerning the state's ability to manage CWD in Wisconsin. Under the provisions of 2001 Act 108, \$4,000,100 in one-time funding was provided for CWD management efforts. Of the funding provided, \$3,000,100 was provided from wildlife damage program surcharge revenues, and \$1,000,000 was provided from the available balance of the recycling fund. DNR subsequently sought additional expenditure authority under s. 13.10 of the statutes and on December 17, 2002, the Joint Committee on Finance approved an additional \$343,900 in one-time funding from the available balance of the wildlife damage program for costs related to herd eradication, sample collection, and enforcement efforts. Under 2003 Act 33, ongoing funding totaling \$1,954,700 was provided in 2003-04 (\$1,594,700 from the wildlife damage revenue appropriation and \$360,000 FED) and \$1,465,800 was provided in 2004-05 (also from wildlife damage).

#### *Captive Wildlife Regulation*

Under s. 93.07 (10) of the statutes, the Department of Agriculture, Trade and Consumer Protection (DATCP) has the responsibility to protect the health of domestic animals of the state, including farm-raised deer, and to prevent, control, and eradicate communicable disease among these animals. Prior to 2003 DATCP registered approximately 100 deer farms with non-native species (such as red deer and sika deer) and 235 elk farms. Under 2001 Act 56, the authority to license, regulate, and inspect all of the state's estimated 725 captive deer and elk farms (including approximately 420 whitetail deer herds), and

related markets and movement in the state was transferred from DNR to DATCP on January 1, 2003. Under administrative rule ATCP 10, DATCP requires all deer farms to register with the Department, with annual fees of \$50 for a herd of 14 or fewer deer, and \$100 for a herd of 15 or more deer. If a farmer owns more than one type of deer (red deer and whitetail deer, for example), the deer owner may choose to commingle the deer into one herd (and thereby register one herd), or separate the herds, with DATCP certification of separation required, and register multiple herds. In addition, effective October 1, 2004, DATCP regulates about 65 farm-raised deer hunting preserves. Hunting preserves must pay a \$150 fee that is good for 10 years. A deer herd owner who also owns a hunting preserve is required to obtain both a deer herd and a hunting preserve license.

In addition, under 2001 Act 56 the previous license structure for captive wildlife permits was eliminated on January 1, 2003, and replaced with the licenses and fees shown in Table 1. DNR retains responsibilities related to the inspection of fences for facilities containing farm-raised whitetail deer, and is authorized to charge an inspection fee. Inspections typically occur every 10 years. Licenses shown on the table are valid for one year, unless otherwise indicated.

**Dedicated Account Revenue.** Some revenue sources to the fish and wildlife account are statutorily designated for specific purposes, rather than for general fish and game activities. The main categories of dedicated revenue are: (a) hunting and fishing stamps; (b) bonus deer permit and wildlife damage surcharge revenue; and (c) handling fees.

*Hunting and Fishing Stamps.* In order to hunt or fish certain species, a person must purchase a stamp in addition to a license. Currently, five stamps are required:

- waterfowl

**Table 1: DNR Captive Wildlife Fees**

	Initial Cost	Renewal
Captive Wild Animal Farm License, Class A	\$200	\$100
Captive Wild Animal Farm License, Class B	50	25
Bird Hunting Preserve License, Class A	300	200
Bird Hunting Preserve License, Class B	200	100
Bird Dog Training License*	25	25
Bird Dog Trial License	25	25
Hound Dog Training License*	25	25
Hound Dog Trial License	25	25
Dog Club Training License	100	100
Wildlife Stocking License**	25	25
Wildlife Rehabilitation License*	Free	
Scientific Research License	25	25
Non-profit Educational Exhibition License	25	25
Non-resident Temporary Exhibition License**	50	50
Wild Fur Farm License*	50	50

\*Valid for three years

\*\*Valid for 30 days

- wild turkey
- pheasant
- inland waters trout
- Great Lakes trout and salmon

Revenue from the sale of these stamps must be utilized exclusively for habitat and propagation projects for the benefit of the respective species.

Under 2001 Acts 77 and 109, changes were made to extend the non-issuance period for a sturgeon spearing license from the November 1 preceding the open season until the last day of the season. In addition, the fee for a sturgeon spearing license was increased from \$10 to \$20 for residents and \$50 for non-residents. The requirement that a person must hold a valid fishing license to be issued a sturgeon spearing license was revoked, and the privileges of the license was removed from holders of conservation patron licenses. Revenues from the sale of sturgeon spearing licenses are directed toward the cost of administering the license; for assessing and managing the lake sturgeon stock and fishery; and for improving and maintaining lake sturgeon habitat.

**Bonus Deer Permit and Wildlife Damage Surcharge.** A surcharge is added to most resident and nonresident hunting licenses to fund wildlife damage program activities. A \$1 surcharge is added to the following licenses:

- resident and nonresident deer
- resident and nonresident elk
- resident and nonresident Class A bear licenses (authorized in 1997 Act 1)
- resident and nonresident Class B bear licenses
  - resident and nonresident archer
  - resident and nonresident turkey (authorized in 1997 Act 27)
- resident and nonresident annual small game
- resident and nonresident sports
- nonresident five-day small game
- nonresident fur-bearing animal hunting

A \$2 surcharge is included for resident and nonresident conservation patron licenses. The wildlife damage surcharge generated \$1,137,800 in 2003-04.

Also, revenue from the \$12 (\$20 nonresident) bonus deer permit is used to fund wildlife damage programs. Resident and nonresident bonus deer permits generated over \$2.3 million during 2003-04.

**Handling fees.** In addition to the statutory fees charged for hunting and fishing licenses, DNR may collect a handling fee for the approvals that the Department itself issues. The fee cannot be more than the amounts necessary to cover the costs of issuing the licenses. The Department currently charges a \$3 handling fee for licenses ordered (primarily by out-of-state residents) with a credit

card by phone, over the internet, or by mail from the DNR Madison office (all licensing agents may also charge, and retain, the \$3 fee for credit card purchases).

**Tribal Gaming Revenue Transfer.** An additional source of revenue to the fish and wildlife account began in 1999-00 with an annual transfer of \$2.5 million from tribal gaming compact revenues. This revenue is not statutorily designated for a specific purpose. The amount was increased to \$3 million annually beginning in 2003-04.

Table 2 lists the fish and wildlife account revenue in the 2003-05 biennium.

**Table 2: Fish and Wildlife Account Revenue**

Revenue Sources	2003-04 <u>Actual</u>	2004-05 <u>Estimate</u>	2003-04 <u>% of Total</u>
Resident Hunting Licenses	\$16,969,300	\$17,346,400	26.2%
Nonresident Hunting Licenses	6,849,400	7,943,300	10.6
Duplicate Hunting Licenses	46,100	52,900	0.1
Hunting Stamps	1,133,600	1,148,800	1.8
Resident Fishing Licenses	11,786,100	12,370,500	18.2
Nonresident Fishing Licenses	8,614,900	9,318,900	13.3
Two-Day Sport Fishing	434,300	580,600	0.7
Duplicate Fishing Licenses	61,600	61,600	0.1
Fishing Stamps	2,041,200	2,041,200	3.2
Combination Licenses	11,381,600	11,525,200	17.6
Permit Application Fee	1,040,100	1,005,800	1.6
Tribal Gaming Transfer	3,000,000	3,000,000	4.6
All Other Revenues	<u>1,389,100</u>	<u>1,590,600</u>	<u>2.1</u>
<b>Total</b>	<b>\$64,747,300</b>	<b>\$67,985,800</b>	<b>100.0%</b>

**Expenditures**

**General Account Expenditures.** Fish and wildlife account revenues that are not statutorily designated for specific purposes are used to support the fish and wildlife management and law enforcement functions of the Department.

**Fish Management.** The Bureau of Fisheries Management and Habitat Protection undertakes various activities related to monitoring,

maintaining and enhancing aquatic ecosystems and sport and commercial fisheries. Assessment and habitat protection surveys are conducted to identify critical areas where fish habitat is deteriorating or fish populations are declining. Surveys yield data relating to fish population structure and harvests, which are used in preparing environmental impact statements, developing regulations for the commercial fishing industry and assessing the impact of Native Americans exercising treaty rights. In addition, DNR is responsible for Great Lakes fish management activities.

Fish propagation and stocking involves raising and distributing fish to enhance fishing in areas where natural reproduction is insufficient. This function utilizes 10 cold-water (trout and salmon) facilities, three warm-water facilities (primarily for walleye, muskellunge and bass), two dual-purpose hatcheries, and three spawning facilities where eggs from feral trout and salmon are collected. In addition, DNR complements these facilities with additional rearing ponds located throughout the state. During 2003, DNR estimates it stocked inland streams and the Great Lakes with 7.5 million cold-water fish, of which 2% were fry (newly-hatched fish, the youngest class stocked). In addition, inland lakes were stocked with approximately 32.3 million warm-water fish, 79% of which were fry. Fish stocks larger than fry (such as fingerling, yearling, and adult) included 6.3 million walleye, 160,300 largemouth bass, 9,700 smallmouth bass, 45,900 lake sturgeon, 86,400 northern pike and 139,600 muskellunge. The Department's fish propagation facilities are identified in Table 3.

**Law Enforcement.** DNR's responsibilities include the investigation and enforcement of laws relating to fish and wildlife, recreational vehicles, environmental protection and water regulation and zoning. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location

**Table 3: Wisconsin's Fish Propagation Facilities**

	County	Brood Stock	Hatching Facilities	Fish Rearing
<b>Cold-Water Facilities</b>				
Bayfield	Bayfield		x	x
Brule River	Douglas			x
Kettle Moraine Springs	Sheboygan	x	x	x
Lakewood	Oconto			x
Langlade	Langlade			x
Nevin	Dane	x	x	x
Osceola	Polk	x	x	x
St. Croix Falls	Polk	x	x	x
Thunder River	Marinette			x
Westfield	Marquette		x	x
<b>Warm-Water Facilities</b>				
Oehmcke	Oneida		x	x
Thompson	Washburn		x	x
Western District	Various		x	x
<b>Dual-Purpose Facilities</b>				
Lake Mills	Jefferson		x	x
Wild Rose	Waushara	x	x	x
<b>Spawning Facilities</b>				
Besadny	Kewaunee	<i>feral trout &amp; salmon</i>		
Root River	Racine	<i>egg collection</i>		
Strawberry Creek	Door			

and severity of the violation. Conservation wardens share responsibilities with park superintendents and forest rangers for public conduct on state lands. When requested, wardens assist local police and are authorized to respond when any crime is committed in their presence.

In 2003-04, DNR's wardens recorded 308,200 hours for safety and enforcement work related to fish and game (compared to 355,500 hours in 2001-02). These activities include enforcement of hunting and fishing regulations, hunter education programs, commercial fish and game activities, treaty enforcement issues and car-killed deer contracts. In fiscal year 2003-04, 7,653 citations were issued for violations related to hunting, fishing and trapping laws (compared to 8,631 citations in 2001-02).

The Department is also required to establish hunter education and bow hunter education courses. Both courses provide instruction to students in the responsibilities of hunters to wildlife, the environment, landowners and others, how to recognize threatened and endangered species and

the principles of wildlife management and conservation. Under 2001 Act 16, the student fee requirement for both bow and gun hunter safety courses was eliminated. Course instructors are reimbursed for costs associated with offering the class, up to \$5 per student from the fish and wildlife account of the conservation fund. The hunter education program addresses safety in handling firearms and bows used in hunting, while the bow hunter education program covers only hunting with bows and arrows. With certain exceptions, no person born on or after January 1, 1973, can obtain a hunting license unless the person is issued a certificate of accomplishment from the appropriate program. In fiscal year 2003-04, 29,853 students successfully completed a hunter education course, and another 3,186 students completed a bow hunter education course.

**Wildlife Management.** The Bureau of Wildlife Management works to protect and manage the wildlife populations and habitats of the state and promotes wildlife appreciation and recreational opportunities. Wildlife biologists and technicians manage and regulate various species, including deer, bear, geese, turkey and waterfowl. Wildlife personnel also assist in the management of wildlife on private lands and take part in wildlife-related educational efforts. Urban wildlife, captive wildlife and wildlife rehabilitation issues are also handled by this bureau.

DNR also operates the state game farm at Poynette, which raised approximately 34,000 adult pheasants (25,000 roosters and 9,000 hens) for stocking on public hunting grounds in 2003 (compared to 48,000 adult pheasants raised in 2001). Further, the state provided almost 51,000 day-old rooster chicks to 64 conservation and sports clubs in 40 counties in 2003 under cooperative agreements (60,000 were provided in 2001). In addition, the Department also administers the wild pheasant restoration program, in which pheasants are released at various locations in the state.

In an effort to more effectively manage the state's growing white-tail deer population, in 2000 the DNR expanded its herd monitoring capabilities and conducted an audit of its Sex-Age-Kill (S-A-K) methodology for estimating deer populations. In addition, the Department, together with the Conservation Congress (a non-profit conservation organization), undertook an extensive public input initiative called "Deer 2000 and Beyond". The purpose of this initiative was to generate public input, which would guide DNR's budget recommendations for changes in hunting seasons, determinations of quotas, and regulation of hunting practices (such as baiting and feeding).

**Car-Killed Deer.** The state appropriates funding (\$829,200 in 2004-05) to contract for the removal and disposal of car-killed deer from state highways. Beginning with 1997 Act 27, 50% of these funds are from the fish and wildlife account and 50% are from GPR. Until 1997, these costs were evenly divided between the fish and wildlife account and the transportation fund. In 2003-04, DNR spent \$372,400 SEG from the fish and wildlife account on its contracts to remove car-killed deer. In 2003-04, approximately 48,300 car-killed deer were reported across Wisconsin.

**County Conservation Aids.** Under this program, counties and tribal governing bodies may apply for grants of up to 50% of the costs of county fish and game management projects. Eligible game projects include game food seeding, browse improvement cutting, prescribed burning and the creation of game cover brush piles, impoundments and nature trails. Examples of eligible fish management projects include lake and stream improvements, rough fish control, construction of fish shelters and stream side fencing.

**Dedicated Account Expenditures.** Dedicated revenues support habitat and monitoring efforts for particular species, wildlife damage programs and license handling and issuance.

*Wildlife Damage Programs.* Previous to 1999, revenue from the wildlife damage surcharge and bonus deer permits was statutorily directed to be expended on three programs related to wildlife damage: (a) the wildlife damage claims and abatement program; (b) control of wild animals; and (c) the urban wildlife abatement and control grant program. The 1999-01 biennial budget included a provision that allowed DNR to use funds from the wildlife damage program to pay participating counties for the processing of venison that was donated to food pantries or charitable organizations during a deer herd control season established by the DNR to abate deer damage. These costs are to be paid after other wildlife damage program expenditures, and the DNR is directed to prorate payments if available funding is not available to fully reimburse counties. As of December 8, 2004, almost 10,200 deer had been donated to be processed for food pantries statewide from the fall 2004 deer hunts (almost 3,400 more than the number donated during the 2003 fall hunting season). The program cost the state an estimated \$461,000 in calendar year 2003. As of December 8, 2004, approximately 456,800 pounds of meat was donated to food pantries in 53 counties from deer harvested during the fall of 2004.

Under 2001 Act 16, a donation program was created, allowing any applicant for a deer, bear, turkey, or small game hunting license to elect to make a voluntary contribution of at least \$1 to be used for the venison processing donation program. The provision went into effect on January 1, 2002. During 2003-04, 7,088 people donated \$19,800 for this purpose.

Wildlife Damage Claims and Abatement Programs. These programs provide landowners in participating counties with financial assistance to implement projects to reduce crop damage and partially reimburse losses incurred from crop damage. Counties may participate in the wildlife damage abatement program, which emphasizes

damage prevention but provides no payments for damages incurred, or they may participate in both the wildlife damage abatement and the wildlife damage claims programs. Counties may also decide not to administer either program.

Under these programs, DNR assists participating counties in developing and reviewing administrative plans. The state fully funds DNR-approved county administrative costs. Approved abatement projects are eligible for state funding of up to 75% of costs, with the remaining share paid by the landowner. Landowners in counties that administer both the abatement and damage claims programs are eligible to file claims for damage to agricultural crops, harvested crops, orchard trees, nursery stock, beehives or livestock if the damage is caused by deer, bear, geese or turkey. Elk damage is also eligible for compensation under the program. However, no claims related to elk damage have been filed as of December, 2004. Damage caused by sandhill cranes would also be statutorily included, if a hunting season were established.

Each claim is subject to a \$250 deductible. A claimant is paid 100 percent of the first \$5,000 above the deductible. If a claim is greater than \$5,250, a person can receive 80 percent of the amount of the claim, with the total amount paid not to exceed \$15,000 per claim. If the total amount of damage claimed is greater than available revenue after paying for administration and abatement, the Department prorates claim payments.

Requirements for opening land to hunting under the wildlife damage claims and abatement programs were set in 1997 Act 237. A person who receives wildlife damage abatement assistance or a wildlife damage claim payment is required to permit hunting during the appropriate open season of the type of wild animals causing the damage on that land. However, a hunter must first notify the landowner of his or her intent to hunt on

the land, and a landowner may deny a hunter access to land for reasonable cause related to certain safety and property-related concerns. In addition, a landowner may deny a hunter access if at least two hunters per 40 acres of eligible land are present on the land when the hunter notifies the landowner that he or she intends to hunt on the land.

In calendar year 2003, 70 counties participated in the programs. During that year, approximately \$3.83 million was expended by the state as follows: (a) \$957,300 for county administrative expenses; (b) \$312,700 for abatement projects; (c) \$1,838,600 for damage claims; (d) \$461,000 for costs associated with the processing of donated venison; and (e) \$257,000 for the control of wild animals and urban wildlife abatement and control grants.

Control of Wild Animals. The surcharge revenue is also used for the Department's costs of removing wild animals that cause damage, and responding to complaints about wild animals, or their structures, which are causing a nuisance.

Urban Wildlife Abatement and Control Grants. The 1997-99 biennial budget established a 50% cost-share grant program under which urban communities can apply to DNR for grants of up to \$5,000 for planning wildlife abatement projects and for wildlife control efforts. The program is funded at \$25,000 annually.

Chronic Wasting Disease (CWD) Management. One-time funding of \$3,344,000 in 2002-03 was provided from the available balance of the wildlife damage program for efforts relating to CWD management in the state deer herd. An additional \$1,000,000 was provided in 2002-03 from the recycling fund under provisions of 2001 Act 108 for these purposes as well. Funds were provided for herd monitoring and sampling, law enforcement and wildlife management staff costs, equipment, supplies, travel, education efforts, limited-term employees and overtime costs as well as for a

veterinarian, public information officer, and data manager position. In addition, DNR was directed to provide funds to the Wisconsin veterinary diagnostic lab (WVDL) for CWD testing and could provide DATCP with funds to buy-out captive deer herds for CWD testing, support DATCP CWD-related staff, and publicize CWD control efforts to deer farmers and processors. Under 2003 Act 33, ongoing funding of \$1,954,700 was provided in 2003-04 (\$1,594,700 from the wildlife damage revenue appropriation and \$360,000 FED) and \$1,465,800 was provided in 2004-05 (also from wildlife damage). These funds were used to support existing positions, for testing and disposal costs, increased law enforcement efforts related to CWD, and public outreach and education programs.

*Stamp-Funded Programs.* All of the money from the sale of the pheasant and turkey stamps is statutorily required to be used for developing, managing, preserving, restoring and maintaining the wild populations of the respective species in the state. Two-thirds of the revenue from the waterfowl stamp are to be used for developing, managing, preserving, restoring and maintaining wetland habitat for producing waterfowl; the other third is contributed to governmental or nonprofit agencies in Canada for the propagation, management and control of migratory waterfowl for Wisconsin and the Mississippi flyway.

Funds from the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters. Revenue from the Great Lakes trout and salmon stamp can be used to supplement and enhance the existing trout and salmon rearing and stocking program in outlying waters.

*Handling Fees.* Revenue from handling fees cover the costs associated with issuing approvals that are requested by mail, telephone or purchased on the internet and includes credit transaction fees, mailing costs and personnel costs that are



necessary to process the credit transaction.

Table 4 lists the major expenditure categories funded by the fish and wildlife account and identifies 2003-04 actual expenditures and the amounts appropriated for 2004-05 for each of these categories.

**Administrative Funding Limit.** Beginning in 1999-00 DNR is prohibited from expending more

than 16% of funding from the fish and wildlife account in any fiscal year for administrative purposes. The 16% limit is statutorily defined to include DNR administrative and support services as well as division administration (bureau administration and licensing costs, which were included in the Legislative Audit Bureau's "overhead" category, were not included in the statutory definition as a result of a Governor's item veto).

**Table 4: Fish and Wildlife Account Expenditures**

Expenditure Categories	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
<b>Fish and Wildlife Program Appropriations</b>			
Law Enforcement	\$13,886,500	\$13,665,500	20.4%
Fish Management	13,390,300	14,296,500	19.7
Wildlife Management	10,089,200	10,897,300	14.8
Car Killed Deer	372,400	414,600	0.5
Hunter Education	66,400	171,200	0.1
County Conservation Aids	162,000	150,000	0.2
<b>Dedicated Revenue Appropriations</b>			
<i>Wildlife Damage Programs:</i>			
Wildlife Damage Claims and Abatement Program	\$3,480,700	\$2,187,700	5.1%
Control of Wild Animals	246,700	217,000	0.4
Urban Wildlife Abatement and Control Grants	10,300	25,000	0.0
Venison Processing (from donations)	15,600		0.0
Chronic Wasting Disease Management	1,213,200	1,465,800	1.8
<i>Stamp-Funded Programs:</i>			
Trout Habitat Improvement	\$1,347,700	\$1,157,900	2.0%
Great Lakes Trout and Salmon	1,142,300	1,189,800	1.7
Sturgeon Habitat	131,900		0.2
Pheasant Restoration	334,000	370,000	0.5
Wetlands Habitat Improvement	349,800	338,400	0.5
Wild Turkey Restoration	702,800	496,600	1.0
Canadian Agencies Migratory Waterfowl Aids	174,500	169,200	0.3
Handling Fees	\$46,500	\$534,000	0.1%
Miscellaneous	147,100	29,200	0.2
<b>Split-Funded Appropriations</b>			
Administration and Technology Division	\$5,689,700	\$5,215,900	8.4%
Customer Assistance and External Relations Division	7,377,900	7,099,000	10.9
Division Management	354,700	388,800	0.5
Facilities and Lands Operations	3,056,600	2,872,800	4.5
Integrated Science Services Operations	2,204,800	2,156,600	3.2
Administrative Facility Repair and Debt Service	1,128,000	1,579,400	1.7
Aids in Lieu of Taxes	302,900	296,300	0.4
Resource Acquisition and Development	509,900	460,400	0.8
Taxes and Assessments	<u>49,800</u>	<u>46,100</u>	<u>0.1</u>
<b>TOTAL</b>	<b>\$67,984,200</b>	<b>\$67,891,000</b>	<b>100.0%</b>

In an effort to balance revenues to and expenditures from the fish and wildlife account for the 2003-05 biennium, \$1.5 million annually in fish and wildlife account SEG expenditure authority for DNR's Administration and Technology general operations budget was deleted under 2003 Act 33.

privately-owned land entered under the forest crop land and managed forest land programs; (e) closed acre fees under the managed forest law program; and (f) a portion of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state forests at no additional charge as part of the license.

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## Forestry Account

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### Revenue

Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate moneys for the purpose of acquiring, preserving and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of property value). This tax is frequently referred to as the "forestry mill tax" and is the only property tax levied by the state. The rate of the mill tax, which is established in statute, was set at 0.2 mill in 1937 and has not been changed since.

The tax is collected with other property taxes on a calendar-year basis and is calculated by using each county's total equalized property value, as determined by the Department of Revenue, for the previous year. For 2003-04, the tax generated \$72.2 million, which is 82.4% of the total revenue that was credited to the forestry account in that fiscal year. Statutorily, at least 12% of the revenue generated by the tax must be used to acquire and develop forests within a sixteen-county region southeast of a line running generally from Rock to Outagamie to Manitowoc Counties.

Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively-managed county forests and on

Application, conversion and transfer fees under the managed forest land program are dedicated within the forestry account for specific purposes related to that program.

Table 5 lists the revenue to the forestry account in the 2003-05 biennium.

**Table 5: Forestry Account Revenue**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
Mill Tax	\$72,168,100	\$78,237,600	81.9%
Timber Sales	3,770,400	3,600,000	4.3
Nurseries	2,838,900	2,700,000	3.3
Forest Tax Law	3,264,000	2,900,000	3.7
Campsite Fees	1,435,500	1,417,900	1.6
State Forest Admission Fees	1,404,000	1,971,100	1.6
Sales and Services	289,200	250,000	0.3
Miscellaneous	2,596,900	1,079,100	2.9
Patron Transfer	<u>362,600</u>	<u>362,600</u>	<u>0.4</u>
<b>TOTAL</b>	<b>\$88,129,600</b>	<b>\$92,518,300</b>	<b>100.0%</b>

### Expenditures

Forestry account revenues are used to fund several forestry programs and related administrative activities. 1999 Act 9 created a Division of Forestry within DNR (previously Forestry had been a bureau within the Land Division).

**State Forest Operations.** State forests are managed to provide a full range of benefits, including soil protection, public hunting, protection of water quality, production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife,

and aesthetics.

The Department operates state forests under two separate administrative structures. Previously, the northern state forests (17 properties) were operated by DNR's forestry staff in a manner that tended to focus on the enhancement of their timber resources, while the seven southern forest properties were operated by state parks personnel and managed in a manner that tended to give priority to their recreational value. Currently, forestry staff have reviewed property management plans and made changes to balance the forest quality development with the recreational potential of forest properties.

Table 6 identifies the eight largest northern forest properties and all southern state forests and the acreage of these properties as of July 1, 2004.

**Table 6: Wisconsin's State Forests**

	Counties	Acreage
<b>Northern Forests</b>		
Northern Highland Flambeau River	Iron, Vilas	169,334
	Ashland, Price, Rusk, Sawyer	90,281
Black River	Jackson	67,809
American Legion	Oneida, Vilas	56,643
Brule River	Douglas	40,928
Governor Knowles	Burnett, Polk	20,041
Peshtigo River	Marinette, Oconto	9,239
Coulee Experimental Forest	La Crosse	2,972
Other Properties	Various	<u>2,852</u>
Subtotal Northern Forests		460,099
<b>Southern Forests</b>		
Kettle Moraine-Northern Unit	Fond du Lac, Sheboygan, Washington	29,275
Kettle Moraine-Southern Unit	Jefferson, Walworth, Waukesha	21,070
Point Beach	Manitowoc	2,903
Kettle Moraine-Loew Lake	Washington	1,086
Kettle Moraine-Lapham Peak	Waukesha	1,006
Kettle Moraine-Pike Lake	Washington	678
Havenwood Forest Preserve	Milwaukee	<u>237</u>
Subtotal Southern Forests		56,255
TOTAL		516,354

The first installment of the purchase of the Peshtigo River State Forest property took place in

December, 2001, with the acquisition of 5,701 acres from Wisconsin Public Service Corporation (WPSC). The transaction is scheduled to take place in four stages, with the state completing its acquisition of the parcel no later than December, 31, 2004 (unless delayed by mutual agreement).

In addition to the state-owned forests, DNR has purchased conservation easements on 35,295 acres of private forest land under the Forest Legacy Project. As part of the 1990 Farm Bill, Congress created the Forest Legacy Project to identify and protect environmentally important private forestlands threatened with conversion to non-forest uses - such as subdivision for residential or commercial development. To help maintain the integrity and traditional uses of private forestlands, the Forest Legacy Program promotes the use of conservation easements. Under a conservation easement, development rights may be purchased from landowners to prevent development and subdivision, and to require specific land practices (such as maintaining certain parcels as productive forest land). Generally, easements are purchased in perpetuity and remain attached to the deed regardless of any change in the property's ownership.

The Department operates three tree nurseries (Hayward, Boscobel and Wisconsin Rapids) which produce and distribute seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. Each year, the nursery distributes between 18 million and 20 million seedlings. Nursery stock is sold at prices that reflect costs to administer the forest nursery program and, with the exception of seedlings distributed to pupils for Arbor Day activities, may not be used for ornamental or landscaping purposes. Under the 2001-03 biennial budget, the surcharge on the sale of nursery stock was increased from 1¢ to 2¢ in 2001-02 and from 2¢ to 3¢ beginning in 2002-03. Proceeds from the surcharge are dedicated to forestry public education and awareness programs, and divided

evenly between an appropriation supporting a DNR contract with the University of Wisconsin – Stevens Point for the development of a kindergarten through twelfth grade forestry education curriculum and an appropriation that would support public education and forestry awareness efforts.

The Department has broad authority in the prevention, detection and suppression of forest fires. DNR utilizes funding to establish and maintain lookout towers, ranger stations and fire suppression and communications equipment and for fire law education and enforcement activities. The Department's forest fire control program takes primary responsibility for forest fires on public and private lands in most northern and many southern counties. The program also provides cooperative services to towns in those southern counties where wooded lands are more scattered.

Department foresters assist private landowners and county foresters in a variety of management activities, including the development of management plans and marketing strategies and the demonstration of pest control techniques. Of the estimated 15.7 million acres of forest land in the state, about two-thirds are privately-owned, while an additional 15 percent are part of forest properties owned by county and municipal governments. The 1999-01 biennial budget provided five additional forester positions to address growing demands in this area. In addition, funds were provided to allow DNR to contract with private foresters to prepare management plans for the entry of land into the Managed Forest Land (MFL) program. Under 2001 Act 16, \$1.3 million and 23.0 forester positions were provided to enhance assistance to private forest landowners. These additional resources were provided to increase contacts between non-industrial private forest owners and DNR foresters or state contracted private foresters to provide land management guidance.

**Stewardship Debt Service.** 1997 Act 27 provided \$8.7 million in funding from the forestry account in each year of the 1997-99 biennium for payment of principal and interest related to the acquisition and development of state forest and nursery properties under the Warren Knowles-Gaylord Nelson stewardship program. Debt service for the stewardship program has been primarily funded from general purpose revenue (GPR). This provision sunset on June 30, 1999. Under 1999 Act 9, \$3 million each year from the forestry account was used to meet these same debt service commitments for the 1999-01 biennium only. Under 2001 Act 16, \$8 million was provided in 2001-02 and \$4 million in 2002-03. This amount increased to \$10 million each year of the 2003-05 biennium under 2003 Act 33.

**Aids in Lieu of Property Taxes.** Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the city, village or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Prior to 2003 Act 33, aids in lieu payments were made entirely from a sum sufficient, GPR appropriation. However, the 2003-05 biennial budget provides \$1 million in 2003-04 and \$2 million beginning in 2004-05 from the forestry account of the conservation fund for these payments. Statutory language specifies that the first draw for aids in lieu of property tax payments be taken from the forestry account appropriation.

**Forest Crop Land and Managed Forest Land Aids.** The forest crop land (FCL) and the managed forest land (MFL) programs are designed to encourage landowners to manage private forest lands for the production of future forest crops for commercial use through sound forestry practices.

Land enrolled under these programs is exempt from local property taxes. Instead, landowners make payments to towns or villages (which in turn pay a portion to the counties) in amounts determined by the date the land is entered into these programs. The Department distributes state aids to the towns and counties in which land entered under the forest crop land and managed forest land programs is located.

Property owners with land enrolled in FCL must comply with certain forestry practices and must allow hunting and fishing on all of the designated land. In return, the landowner pays the town 10¢ per acre for land entered prior to January 1, 1972. On land entered since 1972, owners pay 83¢ per acre and paid this amount through 2002. The rate was adjusted to \$1.66 per acre for 2003 payments and is to be adjusted every tenth year thereafter. Certain special classes pay 20¢ per acre. The last contract expires in 2035. In addition, DNR receives severance taxes on timber harvested on the land and withdrawal penalties for land taken out of the program under certain conditions. The revenue from the taxes and penalties is divided between the Department and the municipality and county in which the land is located.

On January 1, 1986, new entries into FCL were eliminated, although existing FCL contracts will remain in effect until their expiration. 1985 Act 29 created the managed forest land program to encourage the productive management of private forest lands. Under MFL, landowners may enroll a minimum of 10 acres for a period of 25 or 50 years and paid the town 74¢ per acre each year through 2002 (the town then pays 20% of payments received to the county). The rates increased to 83¢ per acre beginning in 2003. In addition, a landowner has the option of closing a maximum of 80 contiguous acres to public access if an additional \$1.00 per acre is paid for each acre closed to public access. The rates were adjusted in 2002 (increasing to \$1.12 per acre) and will be adjusted every fifth year thereafter, using a formula that accounts for changes in the average statewide property tax for

undeveloped lands. Similar to FCL, DNR received 50% of the yield tax on merchantable timber harvested and of withdrawal penalties, with the remainder going to the municipality and county.

1993 Act 131 allowed the conversion of certain land from FCL to MFL. The landowner was required to have submitted the conversion application and a \$100 application fee between September 1, 1994, and January 1, 1998. DNR is required to approve or disapprove the application within three years after its submittal date. No withdrawal taxes may be assessed for the conversion of forest croplands to managed forest land. During the conversion process, the Department received 1,837 applications. 2001 Act 109 once again reopened the conversion option for landowners enrolled under FCL. Anyone petitioning for entry of forestland under MFL or conversion from FCL to MFL is required to pay a \$100 fee, unless the applicant submits a forest management plan that is approved by DNR (in which case the current \$10 fee would be paid in order to cover the cost of recording the agreement under MFL).

2003 Act 228 instituted a variety of changes to the MFL program. A SEG continuing appropriation was created within the forestry account to receive MFL application fees for proposals that are submitted without timber management plans, with all revenues collected to be used by DNR to contract with private foresters for MFL plan development. Beginning with applications submitted in May, 2004, the Act expanded eligibility for participation in MFL to land located in cities in addition to towns and villages. In addition, the maximum number of acres of managed forest land within a municipality that may be closed to public access increased from 80 acres to 160 acres under the Act.

Under prior law, an annual yield tax of 5% is imposed on the value of all merchantable timber harvested on land enrolled in MFL. Under the Act, land owners enrolling in the program on or after

April 28, 2004, are exempted from this requirement for the first five years of their MFL agreement. Further, the Act changes the distribution of withdrawal tax and yield tax revenues effective July 1, 2004. Under prior law, DNR retained 50% of both withdrawal and yield tax revenues, which were deposited to the forestry account of the conservation fund. The municipality where the property is located received 40% of yield tax revenues and the county received 10%. As of July 1, 2004, yield tax revenues are divided entirely between the municipality (80%) and the county (20%).

Fees associated with enrollment in MFL increased under the Act. The fee for filing a petition to enroll in the program without providing a management plan prepared by a certified plan writer (or DNR) increased from \$100 to \$300. In addition, renewal requests that do not contain forest management plans prepared by either a certified plan writer or DNR are also subject to the \$300 fee. The portion of this fee that is deposited to a DNR appropriation to pay recording fees increased from \$10 to \$20. DNR is allowed to establish a different recording fee by administrative rule, provided that the alternative fee is equal to the average expense to the Department of recording an MFL order. The remaining portion of the fee (\$280) is deposited to a new, DNR continuing appropriation with all revenues received to be used to contract for MFL plans prepared for DNR by outside sources. The fee to transfer ownership of MFL land increased from \$20 to \$100 under the Act. Finally, a withdrawal fee of \$300 is created, (to be paid in addition to any withdrawal taxes owed to local governments) that is required for removal of forest land from the program before the end of the MFL contract. These fees are deposited to the forestry account of the conservation fund.

The deadlines for application, approval, and renewal of MFL petitions were also changed under the Act. Previously, if an MFL petition is received

on or before January 31 from a landowner requesting to enroll less than 1,000 acres, or on or before March 31 from a petitioner seeking to enroll 1,000 acres or more, DNR was required to approve or deny the petition on or before the following November 21. As a result of the Act, this schedule remains effective for landowners seeking to enroll 1,000 acres or more. However, for petitioners seeking to enroll less than 1,000 acres, applications received on or before July 1 must be approved or denied before November 21 of the year following the year in which the petition was received. This adjustment would provide almost 17 months (or seven months longer than prior law) for DNR to process these applications. However, beginning November 1, 2005, the Act provides an exception to the longer timeframe for certain petitions with less than 1,000 acres. If a draft management plan prepared by a certified plan writer is submitted before the deadline established by DNR, and the petition for enrollment of a parcel including less than 1,000 acres is received on or before May 15 and includes a completed management plan, DNR must either approve or deny the petition before the following November 21.

Payments made by landowners who enroll land in MFL on or after April 28, 2004, are calculated under a new formula. The annual acreage payment is equal to 5% of the average statewide property tax per acre of property assessed as productive forest land in 2004. This figure will be recalculated in 2007 and every five years thereafter by the Department of Revenue using the statewide average equalized value per acre for productive forest land and the statewide average property tax rate, net of the school levy credit (this tax rate includes taxes levied in towns, villages, and cities, even though most productive forest land is in towns). Revenues from these payments are divided between local units of government (80%) and counties (20%).

The additional payment for each acre of land closed to the public is equal to 20% of the average

statewide property tax per acre of property assessed as productive forest land. Revenues from closed-acreage payments continue to be deposited as general revenues to the forestry account of the conservation fund. Based on 2003 property tax data (payable in 2004), landowners who are enrolled beginning April 28, 2004, pay \$1.45 per acre for open MFL land (or 62¢ per acre more than before Act 228), and an additional \$5.79 per acre for lands kept closed under the program (\$7.24 total, or \$5.29 per acre more than before Act 228). These payments represent 5% and 20%, respectively, of the 2003(04) average statewide property tax per acre of property assessed as productive forest land. These figures are based on a statewide average equalized value per acre of \$1,448 and a 2003 (payable in 2004) statewide average net tax rate (including taxes levied in towns, villages, and cities) of \$20.01 per \$1,000 of value.

Annually, the Department makes payments to each county that has more than 40,000 acres within its boundaries that are entered on the tax roll as FCL or MFL. The amount paid to each county is equal to the number of FCL and MFL acres in the county divided by the total number of FCL and MFL acres that are within the boundaries of counties that are eligible for payments, multiplied by the amount appropriated for these payments. In 2004-05, \$1,250,000 is appropriated for these payments.

**County Forest, FCL and MFL Aids.** Annually, DNR pays each town treasurer 30 cents for each acre of land entered in the county forest program in the previous year. The Department also pays towns and villages 20 cents for each acre enrolled in FCL and MFL. A town or village must submit 20 percent of all moneys received for FCL and MFL acreage to the county treasury.

**County Forest Loans.** A county may receive from the state noninterest-bearing loans to be used for the acquisition, development, preservation and maintenance of county forest lands, with a

maximum loan of 50 cents per acre of county forest land. If the amounts appropriated for these loans are not sufficient to pay all of the amounts approved by DNR, the Department provides funding to eligible counties on a prorated basis.

**County Forest Project Loans.** The Department may allot additional interest free forestry aid loans on a project basis to individual counties to permit the counties to undertake meritorious and economically productive forestry operations, including land acquisition. These additional aids may not be used for the construction of recreational facilities or for fish and game management projects.

**Urban Forestry Grants.** Under the urban forestry grant program, the Department awards grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000. For the 2003-05 biennium, \$529,900 is provided annually.

**County Forest Grants.** Beginning in 2001-02, \$200,000 is provided annually to establish a grant program to increase the implementation of sustainable forestry practices on county forest land.

**County Forest Administrator Grants.** The county forest administrator grant program was modified in 1997 Act 237. Prior to that act, DNR provided grants to counties with county forest land for up to 50% of the salary of a county forest administrator or assistant county forest administrator. Under administrative rule, the annual grant award to a county could not exceed the lesser of 50% of the position's annual salary or the maximum grant amounts established based on

the acres of county forest. Additional funding was provided in 1997 for anticipated grants under the previous program structure and for the following changes: (a) funding 50% of the fringe benefit cost of a forest administrator or assistant forest administrator, with a maximum eligible fringe rate of 40% of salary; and (b) eliminating the linking of the county forest administrator grant amount to the acreage of county forest land. Funding for the program was increased to \$1,035,000 in 2003-04 and to \$1,157,200 in 2004-05 under 2003 Act 33.

**Forestry Management Plans.** Beginning in 2001-02, funding from the forestry account has been made available to contract with consultant foresters to prepare MFL plans for new program enrollees. Under current law, \$800,000 is available each year for this purpose. In addition, 2003 Act 228 created a new continuing appropriation within the forestry account to receive MFL application fees for proposals that are submitted without timber management plans, with all revenues collected to be used by DNR to contract with consultant foresters to prepare MFL plans. As part of their 2005-07 biennial budget request, the Department has requested that the current law sum-certain appropriation be deleted, with all consultant contract plan expenditures funded from the new continuing appropriation (estimated to receive revenues totaling \$1,120,000 during 2004-05).

**Fish, Wildlife and Forestry Recreation Aids.** Counties may apply to the Department for funding (\$150,000 in 2004-05) for up to 50% of the project cost of fish and wildlife management projects and for outdoor recreational facilities on county forest lands. Eligible outdoor recreational facilities includes picnic and camping grounds, various types of trails (nature, bridle, hiking, cross-country ski and snowmobile), trail-side campsites, beaches, toilet and shower facilities, shelters, wells, pumps and fireplaces. Costs associated with the operation and maintenance of recreational facilities and with the development of facilities for spectator sports are not eligible for funding.

In addition, counties may apply for grants for the development of wildlife habitat in county forests. These projects are limited to those designed to benefit wildlife and the natural environment. County funding for habitat projects is limited to 10 cents for each acre registered as county forest land; however, funds that remain unallocated as of March 31 of each year may be allotted to any county (as long as the total received does not exceed twenty cents per acre registered as county forest). Counties are required to complete a comprehensive county forest land use plan as part of the application process. In 2004-05, \$234,500 is appropriated for county wildlife habitat projects.

**Recording Fees.** Application, conversion and transfer fees under the managed forest land (MFL) program are dedicated to pay the register of deeds any recording fees related to notices of order under MFL. If the revenues from the MFL fees are not sufficient to pay the recording fees, the balance would be paid from the forestry general operations appropriation.

**Reforestation.** Forestry account funding is appropriated for reforestation activities on state forests and nursery properties.

**Private Forest Grants.** Beginning in 1997-98, \$1,000,000 was appropriated annually for a program to award grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state. This amount was increased to \$1,250,000 annually under 2001 Act 16. Under statute, management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forest land provides. Under administrative rule, grants are to be given for not less than 50%, but not more than 65% of eligible costs, with a maximum grant amount of \$10,000. DNR gives preference to projects that are



directed to accomplish one or more of the following: (a) establish or reestablish forests through regeneration; (b) improve forest stand productivity, vigor, health or value; (c) encourage sustainability; (d) provide protection of soil and water resources; (e) include additional land under written forest stewardship management plans; (f) provide protection and enhancement of riparian areas and wetlands; (g) provide protection and enhancement of terrestrial wildlife habitat; or (h) provide endangered, threatened, or rare species habitat enhancement and natural community habitat maintenance and enhancement.

**Fire Suppression Grants.** 1997 Act 27 created a pilot program worth \$525,000 annually to award grants for up to 50% of the costs of purchasing fire resistant clothing and fire suppression supplies, equipment and vehicles. Funds are available to cities, villages, towns, counties and fire suppression organizations that enter into a written agreement to assist DNR in the suppression of forest fires when requested. The program was authorized on a two-year demonstration basis with a June 30, 1999, sunset. The 1999-01 biennial budget deleted the sunset provision and allocated \$198,000 annually from the forestry account, with \$327,000 in federal funds to continue grant levels of \$525,000 annually. An additional \$250,000 was provided annually under 2001 Act 16, increasing funds available in 2002-03 to \$775,000 (\$448,000 in forestry SEG and \$327,000 FED). In addition, Act 16 expanded allowable uses of the grant to include fire prevention materials and fire suppression training. The level of ongoing funding was maintained in the 2003-05 budget.

#### **Assistance for Nonprofit and Private Conservation**

**Urban Land Conservation.** 1999 Act 9 provided \$75,000 annually from the forestry account to provide a grant to a non-stock, non-profit corporation organized for urban land conservation purposes. The corporation must provide \$25,000 in

matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. The grant may be used by the corporation for urban forest protection, water resource enhancement, or other urban open space objectives. Other goals that grant recipients are expected to meet include providing technical assistance to interested groups, conducting conferences, assisting community groups, and preparing annual reports detailing their progress. The grant has been awarded to the Urban Open Space Foundation (UOSF) each year. Established in 1996, the UOSF promotes the goals of preserving and restoring natural and cultural features; increasing the role of citizens in open space acquisition, design, development, and stewardship; and broadening public support for parks and natural areas.

**Ice Age Trail Grant.** Also established under 1999 Act 9 was a \$75,000 annual grant from the forestry account to a non-stock, non-profit corporation organized for the purposes of establishing, maintaining and promoting the Ice Age Trail. The corporation must provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. Grant recipients are further directed to support the work of volunteers who develop, maintain and promote the trail; to build partnerships for the trail with local units of government and non-profit organizations; promote the protection of a corridor for the trail through the acquisition of land and interests in land; strengthen community support for the trail by involving volunteers and interest groups; and promote tourism related to the trail. In addition, the corporation is required to submit an annual report detailing the purposes for which the grant was expended. The grant has been awarded to the Ice Age Park and Trail Foundation each year. The Trail Foundation is a Milwaukee-based volunteer organization with approximately 1,200 members in Wisconsin and 4,000 members nationwide.

Grants to Gathering Waters and the Natural Resource Foundation are also partially funded from the forestry account, but described under water resources account expenditures.

**Rental Property Maintenance.** This continuing appropriation is supported by all revenues received for the rental of property or equipment by members of the public or other agency staff. Funds are used for the maintenance or replacement of the property or equipment. This may include shared office space payments, and logging or other heavy equipment use.

**Forestry Public Education and Curriculum Development.** Revenues from a 3¢ per seedling surcharge assessed on all seedlings sold at DNR tree nurseries is divided evenly between forestry public education and awareness programs and an appropriation supporting a DNR contract with the University of Wisconsin - Stevens Point for the development of a kindergarten through twelfth grade forestry education curriculum.

**Department of Agriculture, Trade, and Consumer Protection (DATCP).** The forestry account provides funding for the gypsy moth program in DATCP. Gypsy moth eradication and monitoring programs have been conducted since 1971 in a cooperative effort between DATCP, DNR, the United States Department of Agriculture, local governments and private businesses. The gypsy moth is a leaf-eating pest of trees and shrubs. As a result, gypsy moth infestations can affect the forest products industry, the tourist industry and property values. Under 1999 Act 9, DATCP also received funding from the forestry account for plant protection activities, including nursery regulation and control of plant pests.

**Environmental Education Board.** 1997 Act 27 appropriated \$200,000 annually for the Wisconsin Environmental Education Board for grants for forestry-related environmental education programs. This amount was increased to \$400,000

annually under 2001 Act 16. The Board, a part of the University of Wisconsin System, is responsible for identifying needs and establishing priorities for environmental education in public schools. GPR and environmental fund revenues are also used to fund a portion of the grants. 1997 Act 237 further provided that up to 5% of the amount appropriated from the forestry account could be used for the costs of administering the grants.

**Forestry Cooperatives.** Under 1999 Act 9, \$50,000 is provided annually to the University of Wisconsin - Madison Center for Cooperatives to award grants to persons in order to form forestry cooperatives that consist primarily of private, non-industrial forest owners.

**Department of Commerce.** A forestry education grant program was created within Commerce in 1997 Act 27. Under this program, Commerce was authorized to make grants to non-profit organizations to fund forestry education programs and instructional materials for K-12 classroom education in public schools. The grant program was discontinued under 2003 Act 33. However, DNR made additional payments to Commerce for this purpose in 2003-04.

**State Historical Society.** Funding was provided beginning in 1997 for a position for interpretative programming at the Northern Great Lakes Visitor Center near Ashland in Bayfield County.

**Kickapoo Reserve Management Board.** 1997 Act 27 shifted base funding for the operations of the Kickapoo Reserve Management Board from the parks account to the forestry account. The eleven-member Board is administratively attached to the Department of Tourism, and sets policy and manages the state-owned land acquired from the federal government adjacent to the Kickapoo River to preserve and enhance its unique environmental, scenic and cultural features, to provide facilities for the use of visitors and to promote the reserve as a recreational site.

**Wisconsin Conservation Corps (WCC).** The WCC, which is attached to the Department of Workforce Development for administrative purposes, offers employment to young adults, ages 18 to 25. While the WCC had received funding from the forestry account previously, support for the program was deleted under 2003 Act 33. However, due to the time frame of the 2003-05 biennial budget bill's enactment and several outstanding financial commitments, some payments were made to the WCC from the forestry account in 2003-04.

**Lower Wisconsin State Riverway Board (LWSRB).** Prior to 1997 Act 27, the Lower Wisconsin State Riverway Board was funded with a combination of GPR and water resources account monies. That act shifted the GPR funding for the Board to the forestry account. The nine-member board is administratively attached to the Department of Tourism and is intended to preserve and protect the scenic beauty and natural character

of the Lower Wisconsin State Riverway through controlled land use and development.

**Department of Forestry.** As passed by the Legislature, the 2001-03 biennial budget would have created a separate Department of Forestry, including all staff, funding, and responsibilities associated with the current Division of Forestry effective July 1, 2002. Under this provision, \$68.8 million and 614.57 staff would have been transferred from DNR to the new department to support forestry activity throughout the state (other than the operation of the southern forests, which would have remained under the oversight of DNR's Bureau of Parks). The Governor's partial veto of 2001 Act 16 removed this provision.

Table 7 lists the expenditures from the forestry account for the 2003-05 biennium.

**Table 7: Forestry Account Expenditures**

	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
<b>Forestry Program Appropriations</b>			
Northern Forest and Nursery Operations	\$39,234,900	\$39,102,400	47.8%
Southern Forest Operations	4,623,100	4,579,200	5.6
Stewardship Debt Service	10,000,000	10,000,000	12.2
FCL and MFL Aids	1,250,000	1,250,000	1.5
County Forest, FCL and MFL Aids	1,299,500	1,349,400	1.6
County Forest Loans	564,900	622,400	0.7
County Forest Project Loans	226,200	400,000	0.3
Urban Forestry, County Forest Grants, and County Forest Administrator Grants	1,770,100	1,887,100	2.2
Forestry Management Plans	800,000	1,920,000	1.0
Fish, Wildlife and Forestry Recreation Aids	320,300	314,500	0.4
Recording Fees	85,500	50,000	0.1
Reforestation	88,000	100,000	0.1
Private Forest Grants	627,700	1,250,000	0.8
Fire Suppression Grants	324,100	448,000	0.4
Assistance for NCOs and Private Conservation	150,000	150,000	0.2
Rental Property Maintenance	78,900	75,000	0.1
Forestry Public Education	50,000	318,700	0.1
Forestry Education Curriculum	300,000	318,700	0.4
<b>Split-Funded Appropriations</b>			
Administration and Technology Division	\$7,765,000	\$7,108,700	9.5
Customer Assistance and External Relations Division	2,940,600	2,814,100	3.6
Land Program Management	111,600	122,400	0.1
Facilities and Lands Operations	2,985,000	2,636,300	3.6
Resource Acquisition and Development	696,600	1,653,800	0.8
Integrated Science Services Operations	1,037,700	914,800	1.3
Aids in Lieu of Taxes	1,452,200	2,557,800	1.8
Administrative Facility Repair and Debt Service	586,000	791,000	0.7
Taxes and Assessments	3,500	87,200	0.0
Cancelled drafts	10,200	0	0.0
<b>Other Agency Appropriations</b>			
Agriculture, Trade and Consumer Protection	1,383,500	1,392,000	1.7
Environmental Education Board/Forestry Cooperatives	286,700	450,000	0.3
Commerce Forestry Education Grants	107,000	0	0.1
State Historical Society	38,200	36,600	0.0
Kickapoo Reserve Management Board	527,100	590,500	0.6
Wisconsin Conservation Corps	239,500	0	0.3
Lower Wisconsin State Riverway Board	<u>41,000</u>	<u>38,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$82,004,600</b>	<b>\$85,328,600</b>	<b>100.0%</b>

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## Parks Account

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### Revenue

Parks account revenues are generated primarily by motor vehicle admission fees to state parks and camping site fees. As shown in Appendix III, motor vehicle admission fees are higher for out-of-state than in-state vehicles. The annual admission fee for a second vehicle is one-half the regular price, if an individual or a member of the household owns a vehicle with a current annual admission sticker. No admission fee is required for any vehicle that transports a person with a senior citizen recreation card or a conservation patron license.

1997 Act 27 altered the fee structure for motor vehicle admission stickers. That act maintained all prior fees, but created an issuing fee within the overall price (50¢ for annual stickers and 15¢ for daily stickers) to allow the sale of park stickers through the Department's automated license issuance system. 2001 Act 16 increased park sticker and admittance fees as shown in Table 8.

**Table 8: State Park and Forest Admittance Fees**

	Pre-2001 Act 16 Fees	Current Fees	Increase Amount	Percent
Resident annual	\$18	\$20	\$2	11%
Senior citizen annual	9	10	1	11
Additional annual*	9	10	1	11
Resident daily	5	5	0	0
Non-resident annual	25	30	5	20
Additional non-resident annual*	12.50	15	2.50	20
Non-resident daily	7	10	3	43

\*Issues to an individual for a second vehicle if a full-price annual sticker has already been purchased.

Camping site fees are also a primary source of revenue to the account. Although minimum fees are established by statute, DNR may designate, by

rule, properties to which higher fees apply based, in part, on local market conditions, the types of conveniences offered at the campground and the level of use. Site fees for nonresidents are higher than the site fees for residents. Appendix III identifies vehicle admission fees and camping fees assessed for use of state park and forest properties.

Currently, DNR is pursuing rule changes that may lead to increases in revenue to the parks and forestry accounts during 2004-05. The Department has proposed increasing the fees for renting park shelters, picnic shelters with electricity, and enclosed picnic shelters. In addition, DNR proposes to increase camping fees at eight of its high-use properties (Devil's Lake, Kohler-Andrae, Mirror Lake, Peninsula, Big Bay, Willow River, Hartman Creek, and Point Beach) by \$3 per night from Memorial Day through Labor Day and on weekend nights through October. The proposed rule change has been approved by the Natural Resources Board, and is expected to be considered by Legislative Committee's in January, 2005. If approved by the Legislature, the rule would go into effect in time for the 2005 summer camping season. However, the fiscal impact for 2004-05 is difficult to estimate, as the fee increase would only apply to reservations made after the rule change is enacted. Typically, reservations for the higher-use properties are made up to eleven months in advance, which could preclude the assessment of higher fees until the following fiscal year.

Revenue to the parks account is also derived from other charges, such as camping reservations, trail use fees, golfing at Peninsula State Park and swimming at Blue Mounds State Park. In addition, a portion of the revenue from the sale of patron licenses is deposited in the parks account to reflect the parks-related privileges granted to patron license holders (annual park admission sticker, trail pass and Heritage Hill State Park admission).

1995 Act 27 eliminated the requirement that state parks be funded equally from the parks

account and the general fund. In 2004-05, state parks operations are budgeted 68.1% segregated revenues (SEG) from the parks account, 28.1% GPR, and 3.8% from tribal gaming revenues.

Table 9 identifies revenue to the parks account in the 2003-05 biennium.

**Table 9: Parks Account Revenue**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
Park Stickers	\$4,989,100	\$5,101,600	41.8%
Campsite Fees	3,520,700	3,544,800	29.5
Conservation Patron Allocation	1,450,500	1,450,500	12.1
Golf Fees	299,300	299,300	2.5
Trail User Fees	614,200	620,300	5.1
Rents, Sales and Services	217,500	217,500	1.8
Tribal Gaming Transfer	650,000	650,000	5.4
Miscellaneous	<u>210,900</u>	<u>194,500</u>	<u>1.8</u>
<b>TOTAL</b>	<b>\$11,952,200</b>	<b>\$12,078,500</b>	<b>100.0%</b>

### Expenditures

Currently, the Department's park staff operate 71 recreational properties open to the public, including 45 state parks, 14 state trails (another 21 state-owned trails are locally operated and maintained through partnerships), seven southern forests and five recreation areas. Appendix IV lists the state parks and recreation areas operated by DNR. In addition, some properties are owned by the state and operated by local units of government (such as Copper Culture State Park) or nonprofit organizations (such as Heritage Hill State Park). Also, some properties have been designated by the Natural Resources Board, but are not developed or are under development and property operation remains largely unfunded with only limited services provided. Management of properties can also change over time. For example, under 1999 Act 9, the management of the Wisconsin Dells State Natural Area was transferred from the Bureau of Endangered Resources to the Bureau of Parks and Recreation. An estimated 14.1 million visitors enter

the parks and southern forests annually.

The state park system properties contain 4,530 camp sites, 1,407 acres of picnic areas and 32 beaches. The state recreation system also includes an extensive network of trails, some of which are multiple-use: (a) 1,758 miles of hiking trails; (b) 1,077 miles of snowmobile trails; (c) 1,075 miles of bicycle trails (including 440 miles of off-road mountain bike trails); (d) 615 miles of groomed cross-country ski trails; (e) 586 miles of bridle trails; and (f) 231 miles of nature trails.

The operating costs for the parks system include staff costs for: (a) park managers, who supervise the daily operation of state parks; (b) park rangers, who are primarily responsible for enforcement and skilled maintenance activities; (c) park naturalists, who develop and present the educational programs offered at the parks; (d) clerical staff; and (e) maintenance personnel. Limited-term and seasonal employees are utilized extensively in the state park system. In addition, 1999 Act 9 provided one position to create an outdoor skills program targeted to urban families and other non-traditional outdoor recreation groups.

Parks account funding is also provided for general program operations and administrative services in the Department of Tourism

The 1999-01 biennial budget appropriated \$1 million from the parks account in 2000-01 for the development of the Milwaukee Lakeshore State Park. Total funding allocated for the park under 1999 Act 9 was \$9.4 million, with \$2 million from federal transportation funds, \$2 million from the Warren Knowles-Gaylord Nelson Stewardship program, \$1 million from the parks account, and \$4.4 million from recreational boating.

In December, 2001, the Joint Committee on Finance approved the purchase of property for two new state parks to be developed in recognition of the 100<sup>th</sup> anniversary of the state parks system. The

**Table 10: Parks Account Expenditures**

	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
<b>Parks and Recreation Program Operations</b>	\$10,076,700	\$10,096,100	85.3%
<b>Split-Funded Appropriations</b>			
Administration and Technology Division	\$812,600	\$859,100	6.9%
Facilities and Lands Operations	19,200	33,100	0.2
Customer Assistance and External Relations Division	262,600	213,600	2.2
Land Program Management	197,900		1.7
Administrative Facility Repair and Debt Service	66,900	108,900	0.6
Integrated Science Services Operations	6,100	5,500	0.1
Taxes and Assessments	246,500	166,600	2.1
Aids in Lieu of Taxes	21,900	17,400	0.2
Resource Acquisition and Development	43,800	44,100	0.4
<b>Other Agency Appropriations</b>			
Tourism	<u>\$57,200</u>	<u>\$55,300</u>	<u>0.5%</u>
<b>TOTAL</b>	\$11,811,400	\$11,599,700	100.0%

Capital Springs Centennial State Park and Recreation Area is located in Dane County, and includes 326 acres. The property borders an existing county park on Lake Waubesa, and connects to the 320-acre Nevin Springs fish and wildlife area. The Tommy G. Thompson Centennial State Park in Marinette County includes at least 2,200 acres of land on Caldron Falls flowage. DNR later agreed to purchase the remainder of the land surrounding the flowage from WPSC for the Peshtigo River state forest, and is considering expanding the acreage included in the state park.

**Other Funds.** In addition, 1999 Act 9 transferred \$1.13 million from the Parks account to the general fund (\$630,000 in 1999-00 and \$500,000 in 2000-01). Parks general operations annual appropriations of approximately \$5.0 million GPR and \$8.6 million SEG were not affected.

Under the 2001-03 biennial budget, \$1 million in 2001-02 and \$718,000 in 2002-03 in tribal gaming revenues was provided in one-time funding for the parks account. This was done in combination with a reduction in parks expenditures for administrative and customer-service related purposes to help balance the account. This

combination of providing one-time tribal gaming revenues (\$650,000 in each year of the 2003-05 biennium) and requiring additional operations expenditure reductions was again included in the 2003-05 biennial budget.

Table 10 identifies expenditures from the parks account for the 2003-05 biennium.

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### Water Resources Account

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#### Revenue

The main source of revenue to the water resources account, created in 1987 Act 27, is an annual transfer of motorboat fuel tax revenue into the account. The amount of the transfer each fiscal year is calculated by multiplying the motor fuel tax on 50 gallons of gasoline on April 1 of the previous fiscal year by the number of motorboats registered as of January 1 of the previous fiscal year and then multiplying this result by 1.4. In 2004-05, DNR is expecting \$12,186,600 to be transferred to the water resources account under this formula (598,262 motorboats x 50 gallons per motorboat x 29.1¢ per

gallon x 1.4).

## **Expenditures**

Funding from the water resources account is used to support: (a) development of state and local recreational boating facilities; (b) lake and river management activities and grant programs; (c) dam inspection and safety; and (d) operational management of the Fox River locks system.

**Recreational Boating Projects.** Under this program, the Department provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, and the Lower Wisconsin State Riverway Board for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. A grant may be used to support up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR. Feasibility studies, which are eligible for state cost-sharing, must be completed for any project before it is assigned to a priority list. Grants are available for recreational boating projects that include providing public access (boat ramps and related parking facilities), navigational aids or markers, dredging, weed removal and capital equipment used for trash or debris removal.

1997 Act 27 provided DNR with the authority to provide grants for up to 80% of the costs of developing recreational boating facilities (and up to 90% if the sponsor conducts a boating safety program) if the project is deemed to be of regional or statewide importance by the Waterways Commission. Under administrative rule, "statewide significance" would be determined by the Waterways Commission based on the following criteria.

For projects located on lakes or flowages, all of the following criteria must be met: (a) the lake

must be at least 1,000 surface acres in size, or the project must be located on Lake Superior or Lake Michigan; (b) the site must have (or will have as a result of the project) a boat launching facility protected by a breakwater structure; and (c) the project must be located on a lake or flowage that has the minimum number of car-trailer unit parking spaces (or will have the minimum number of spaces as a result of the project) required under s. NR 1.91. For projects located on rivers, the project must meet all of the following criteria: (a) it must be located on the Mississippi River; (b) it must provide motorized boating access to a river at a site that is more than 10 miles from another motorized boating access site; and (c) the project must provide a minimum 15 car-trailer unit parking spaces at the site. Between September, 2003, and September, 2004, eight grants for 80% state funding totaling \$4.58 million were awarded.

The following restrictions apply to the distribution of grants: (a) no more than 10% of state funding may be expended for feasibility studies in any year, and no more than 1% may be provided for any one feasibility study; (b) at least 40% of state funding must be expended for Great Lakes projects, 40% must be expended for inland lakes projects and 20% may be expended for projects deemed necessary by the Waterways Commission without regard to location; and (c) no state funds may be used for the acquisition of land or for the construction of berths.

The Waterways Commission is a five-member board appointed by the Governor with the advice and consent of the Senate for staggered, five-year terms. The Commission is attached to DNR and is comprised of the following members: (a) one resident of the Lake Superior area; (b) one resident of the Lake Michigan area; (c) one resident of the Mississippi River area; (d) one resident of the Lake Winnebago watershed area; and (e) one resident from the inland area of the state. Each member must be able to assess the recreational water use problems in his or her geographical area of the



state. The Waterways Commission approves recreational boating projects found to be feasible by the DNR and supported by the local unit of government or qualified sponsor.

**Lake and River Management.** The water resources account supports Department staff who provide technical and educational assistance to local governments, including public inland lake rehabilitation districts and lake and river associations. In addition, funding is used to conduct diagnostic studies, support demonstration projects and develop and distribute information on lakes and river management to lake districts and waterfront property owners.

**Lake Protection Grant Program.** Under 1999 Act 9, funding for lake management and classification grants was merged with lake planning grants to form the consolidated lake protection grant program.

Lake protection grants may be awarded for a variety of purposes, including management projects that will improve or protect the quality of water in lakes, flowages, or natural lake ecosystems. A grant for a lake management project may be made for up to 75% of the cost of the project up to \$200,000 per grant. Counties, municipalities, non-profit conservation organizations, qualified lake associations, town sanitary districts, certain school districts, and public inland lake protection and rehabilitation districts are all eligible to apply for grants for lake management projects. Eligible activities include: (a) the purchase of land or conservation easements (if the purchase will substantially contribute to the protection or improvement of a lake or natural lake ecosystem's water quality); (b) wetland restoration; (c) restoration of shoreline habitat; (d) development of local regulations or ordinances that will protect or improve the water quality of a lake or natural lake ecosystem; and (e) an activity that is approved by the DNR, and that is needed to implement a recommendation made as a result of a plan to

improve or protect the quality of water in a lake or natural lake ecosystem. By administrative rule, the minimum allowable membership fee for a qualified lake association is \$5 annually, and the maximum is \$50 annually.

Lake protection grants may also include lake classification activities for: (a) lake classification project grants of up to \$50,000 per county for up to 75% of the costs for the development and implementation of lake classification and subsequent protection programs; and (b) lake classification technical assistance grants of up to \$200,000 to nonprofit corporations to provide educational and technical assistance to local units of government and lake management organizations that will participate in a lake classification project.

Finally, DNR may distribute grants for lake planning projects. Examples of eligible activities include data collection, mapping, water quality assessment, nonpoint source pollution evaluation, management strategy development and other projects that would provide baseline information on the status of lakes. Grants may support up to 75% of the project costs, with a maximum award of \$10,000.

Under 2003 Act 33, funding for the lake protection grant program was increased by \$500,000 annually. In addition, the Department was directed to provide at least \$500,000 annually for grants to local units of government for up to 50% of the costs of projects to prevent or control aquatic invasive species, and for education and inspection programs at boat landings.

**River Protection Grant Program.** A river protection grant program was created in 1999 Act 9 split-funded from the non-point account and the water resources account. 2003 Act 33 eliminated the contribution from the non-point account, and increased funding from the water resources account by the same amount to maintain funding of \$292,400 annually for the program. Any

unencumbered funding in the river protection grants appropriation at the end of each fiscal year is transferred to the lake protection grant appropriation.

DNR distributes river protection grants to improve or protect the quality of water in rivers, streams and flowages. These grants are limited to 75% of project costs, up to \$50,000 per grant for management projects and \$10,000 per grant for planning projects. Eligible grant recipients include counties, cities, towns, villages, qualified lake or river associations, town sanitary districts, public inland lake districts, nonprofit conservation organizations and other local governmental units that are established for the purpose of lake or river management. Grants under this program may be used for activities that contribute to the protection or improvement of a river's water quality or its natural ecosystem. Eligible management activities include: (a) purchase of land or conservation easements; (b) restoration of wetlands, in-stream, or shoreline habitat; (c) development of local regulations or ordinances; (d) installation of pollution control practices; and (e) other activities as determined by DNR. Eligible planning activities include: (a) data collection; (b) assessments of water quality, fish, aquatic life, and habitat; (c) assessments of the uses of a river and surrounding land; (d) non-point source pollution evaluation; (e) programs and materials to assist in forming river management organizations; and (f) informational or educational materials that address protection of rivers, their uses, and improvements to river habitat.

**Aquatic Invasive Species.** Under 2003 Act 33, \$578,300 was provided in 2003-04 and \$606,600 was provided in 2004-05 with one position from the water resources account for the aquatic invasive species management program. Funds are used for monitoring aquatic invasive species, public education and boat inspection efforts, and for research related to the control of invasive animal and plant species. The position provided supports

a statewide invasive species prevention and education coordinator for the program.

**Dam Safety and Wetland Mapping Program.** DNR prepares and maintains maps of wetland areas measuring five acres or larger throughout the state in order to better protect wetland resources and provide information to individuals seeking permits that may impact these areas.

At least once every 10 years, DNR is required to inspect each large dam that is maintained or operated across navigable waters. In addition, DNR administers the municipal dam safety grant program. This program provides grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. The program provides 50% matching grants with a limit of \$200,000 per project. 1999 Act 9 allows DNR to provide financial assistance for an activity other than the maintenance, repair, modification, abandonment, or removal of a dam if the activity would improve the safety of the dam, and cost less than the aforementioned options. This provision is intended to allow for the removal of homes or other structures in the floodway to reduce the dam's hazard rating, if this is a more cost-effective alternative than repair or removal.

**Dam Safety Debt Service.** The Legislature created the municipal dam safety program in the 1989-91 biennial budget. A total of \$11.85 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program. Currently, all available funds under this program have been committed.

Debt retirement costs on \$5.5 million (46%) of program bonds is funded with general-purpose revenues. The debt service on the remaining \$6,350,000 (54%) is funded from the water resources account.

**State Boat Access Sites.** The Department uses budgeted water resources account funds for state-owned facilities. DNR is appropriated \$300,000 annually to fund the development of state-owned boating facilities, of which at least \$100,000 must be used for facilities located in a sixteen-county region in southeastern Wisconsin.

**Water Resources Law Enforcement.** Under 2003 Act 33, 2.2 conservation warden positions were transferred from GPR to water resources account SEG. This transfer was based on DNR enforcement activity reports that indicated an equivalent number of enforcement hours were devoted to water resource protection efforts (such as public and private water supply and polluted water run-off enforcement).

**Resource Inventory.** The Department maintains an aquatic and natural resources inventory in order to better catalog natural resources statewide, and integrate knowledge gained from the inventory in statewide planning efforts to better protect the available resources.

**Assistance for Private Conservation Activity.** The Department may provide an annual grant to a Wisconsin-based nonstock, nonprofit corporation. The nonprofit corporation is required to meet all of the following requirements to be eligible for the grant: (a) have an exemption from the federal income tax; (b) provide support to non-profit conservation organizations (NCOs); (c) have a board of directors that has a majority of members who are representatives of NCOs; and (d) provide \$25,000 to be used with the grant.

Beginning in 1996-97, a grant of \$75,000 from the water resources account has been awarded to Gathering Waters, Inc. According to their mission statement, Gathering Waters is formed to serve as an informational clearinghouse and technical assistance center to aid individuals and NCOs in preserving, protecting and enhancing the ecological integrity of Wisconsin's land and water.

In accordance with statute, the group: (a) assists in establishing new NCOs; (b) sponsors conferences and other educational programs; (c) publishes a newsletter; and (d) provides technical assistance on such issues as incorporation, organizational development, real estate transactions and land protection options.

The 1999-01 biennial budget increased the amount available for the grant to \$150,000 annually (with the \$75,000 increase split funded evenly between the water resources and forestry accounts) and requires the corporation to submit an annual report to the DNR and the appropriate standing committees of the Legislature detailing the activities for which the grant was expended. In addition, it specifies that the board of directors of the corporation receiving the award should, to the greatest extent practicable, represent all geographic areas of the state. The corporation is also directed to assist non-profit conservation organizations (NCOs) in acquiring and managing property for conservation purposes, and to acquire a property for conservation purposes where no other NCO exists that is willing or capable to purchase or manage this property. Finally, the DNR was required to submit a report during the last half of fiscal year 2004 describing the cost and accomplishments of the program. In the report, the Department describes how Gathering Waters has achieved numerous goals, including successfully expanding the number of land trusts operating in Wisconsin and increasing citizen participation; increasing the quality and professionalism of the land trust community in general; and providing public education and assistance for landowners and land trust organizations. The \$150,000 grant has again been awarded to Gathering Waters for 2003-04.

In addition, the 1999-01 biennial budget provided \$75,000 annually for one or more contracts to non-stock, nonprofit corporations that provide organizational and technical assistance to community-based river protection groups. The

corporation is expected to provide support to nonprofit conservation organizations; maintain a board of directors, the majority of which are representatives from nonprofit conservation organizations; and contribute \$1 for each \$3 in state grant funds. The corporation is further required to assist in the establishment of nonprofit conservation organizations and provide technical assistance to these groups, as well as conducting conferences on these topics. Two contracts were awarded in 2003-04, to the Wisconsin Association of Lakes and to the River Alliance.

The 1999-01 biennial budget also provided an annual grant of \$85,000 split funded evenly between the forestry and water resources account of the conservation fund for a non-stock, non-profit corporation that meets the following requirements: (a) the criteria under section 501(c)(3) or (4) of the Internal Revenue Code; (b) is organized in the state; (c) is exempt from taxation under section 501 (a) of the Internal Revenue Code; and (d) is created to accept and utilize private contributions made to protect and enhance the state's natural resources. It further specified that the corporation receiving the grant must use it to do the following: (a) encourage private corporations and entities to undertake activities, including the contribution of money, that encourage management and restoration of the state's endangered wild animals, wild plants, and natural communities; (b) encourage these same entities to engage in land management practices that protect and preserve natural resources; and (c) provide grants to non-profit and other groups to encourage education, restoration, and management activities to enhance the state's natural resources. In each year, the grant has been awarded to the Natural Resources Foundation of Wisconsin (NRF). The Natural Resources Foundation was formed in 1986 as a fundraising entity to work with the DNR as a conduit for private contributions to the agency. Currently, NRF has 18 directors and over 1,000 members.

**Mississippi and St. Croix River Management.** Funding is provided for habitat and recreational projects and for environmental and resource management studies on the Mississippi and Lower St. Croix Rivers.

**Water Program Operations.** Although not included in the 2003-05 biennial budget, DNR used water resources account revenues in 2003-04 to support a portion of the cost of the water program's management staff. These supervisors generally oversee and supervise water program activities statewide, and are funded primarily from the fish and wildlife account.

**Lower Wisconsin State Riverway Board (LWSRB).** The water resources account also provides funds for the LWSRB, which is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development.

**Fox River Navigational System Authority.** The water resources account is used to partially fund operational and management costs for the locks and associated harbors, property, structures, and facilities on or near the Fox River between Green Bay and Lake Winnebago. This activity is also supported from user fees and donations.

In September, 2000, Governor Thompson signed an agreement with the United State Army Corps of Engineers to transfer ownership of the Fox River Locks from the federal government to the state, with the state assuming responsibility to manage and rehabilitate the 17 locks. Restoration of the locks system is expected to cost in excess of \$20 million. 2001 Act 16 created the Fox River Navigational System Authority for the purpose of assuming responsibility for management, operations and rehabilitation of the locks upon transfer from the federal government to the state. On September 17, 2004, the locks were officially transferred from the federal government to the

**Table 11: Water Resources Account Revenue and Expenditures**

	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
<b>Revenue Sources</b>			
Fuel tax Transfer	\$12,099,200	\$12,186,600	99.4%
Investment Income	<u>78,800</u>	<u>80,000</u>	<u>0.6</u>
Total	\$12,178,000	\$12,266,600	100.0%
<b>Water Resources Program Appropriations</b>			
Recreational Boating Projects	3,245,000	4,547,000	26.9
Lake and River Management	2,541,700	2,842,800	21.0
Lake Protection Grant Program	2,810,700	2,675,400	23.3
River Protection Grant Program	237,600	292,400	2.0
Aquatic Invasive Species	578,300	606,600	4.8
Dam Safety and Wetland Mapping	532,400	510,900	4.4
Dam Safety Grants Debt Service	389,200	509,500	3.2
State Boat Access Sites	141,000	200,000	1.2
State Boat Access Sites to Southeastern Lakes	16,100	100,000	0.1
Water Resources Enforcement	125,600	132,700	1.0
Resource Inventory	148,600	157,800	1.2
Assistance for Private Conservation Activity	225,000	230,000	1.9
Mississippi and St. Croix Rivers Management	48,500	62,500	0.4
Water Program Operations	69,600	0	0.6
Fox River Management	96,000	96,000	0.8
<b>Split-Funded Appropriations</b>			
Administration and Technology Division	403,300	367,100	3.3
Customer Assistance and External Relations Division	324,900	315,300	2.7
Administrative Facility Repair and Debt Service	16,600	32,100	0.1
<b>Other Agency Appropriations</b>			
Lower Wisconsin State Riverway Board	124,500	113,900	1.0
Fox River Navigational System Authority	<u>0</u>	<u>30,700</u>	<u>0.0</u>
<b>TOTAL</b>	\$12,074,600	\$13,822,700	100.0%

state, and the Authority entered into a lease agreement with the Department of Administration to assume management and operational responsibility for the locks. Prior to this agreement, DNR was responsible for the seasonal operation of the three working locks.

As part of the transfer agreement, the Army Corps of Engineers provided the state with \$11.8 million for rehabilitation and repair of the Fox locks, and has agreed to provide an additional \$5.5 million in funding that would be matched by state and local funds. The state funding would consist of \$2.8 million in water resources account SEG (in seven annual installments of \$400,000 starting in

2005-06) from the recreational boating project aids appropriation, and \$2.75 million in local contributions from private businesses, individuals and others.

Table 11 identifies 2003-04 and 2004-05 revenues and expenditures from the water resources account.

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### Snowmobile Account

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The Department administers a snowmobile

recreation program to develop and maintain a statewide system of snowmobile trails and administer and enforce snowmobile laws. Unlike the other accounts in the conservation fund, which were administratively created by the agency, the snowmobile account is statutorily designated to ensure that certain revenues are utilized for specific purposes.

The Snowmobile Recreational Council provides recommendations to DNR and elected officials on matters related to snowmobile policy. The Council consists of 15 members appointed by the Governor with the advice and consent of the Senate for staggered, three-year terms. Under statute, at least five members of the council shall be from the territory north, and at least five members shall be from the territory south, of a line running east and west through the southern limits of the City of Stevens Point.

**Revenue**

The major source of revenue to the snowmobile account is the snowmobile fuel tax revenue transferred to the account. An appropriation is made annually, which equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of February of the previous fiscal year multiplied by the number of registered snowmobiles as of the same date, with this result multiplied by 1.4. The transfer for 2004-05, which will be made available for trail aids under the formula, is expected to total \$4,447,800. This total is based on the number of snowmobiles registered on March 31, 2004, and the motor fuel tax rate as of that date (222,948 snowmobiles x 50 gallons per snowmobile x 28.5¢ per gallon x 1.4).

The next largest revenue source for the account is registration fees. A fee of \$30 (increased from \$20 under 2001 Act 16) is assessed for each snowmobile registered for general use in the state. The registration is valid for two years. Snowmobiles registered in other states or countries need not be

registered in Wisconsin if they are in the state for a period of less than 15 consecutive days. Other fees are charged for registering public use, commercial use and antique snowmobiles.

A nonresident snowmobile trail use sticker requirement was created in 1997 Act 27 as a new source of revenue to the snowmobile account. Snowmobiles not registered in Wisconsin are required to display an annual trail use sticker to use public snowmobile corridors beginning with the winter of 1998-99. The fee for the annual sticker, originally set at \$10, was increased to \$13 in 1997 Act 237 and to \$18 under 2001 Act 16. Almost 43,000 stickers were sold in 2003-04.

In addition, the snowmobile program also receives revenues from: (a) registration transfer fees; (b) instruction fees paid by persons enrolled in snowmobile safety courses; and (c) 1% of the total sales tax receipts the Department collects from people who have purchased snowmobiles and who have not provided proof that a sales tax was paid (which is required before the vehicle can be registered).

Table 12 identifies revenue to the snowmobile account in 2003-04 and 2004-05.

**Table 12: Snowmobile Account Revenue**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
Fuel Tax Transfer	\$4,155,200	\$4,447,800	43.5%
Registration Fees	4,462,700	4,053,800	46.7
Investment Income	19,000	20,000	0.2
Registration Transfers	113,000	104,200	1.2
Miscellaneous	60,300	43,500	0.6
Nonresident Trail Pass	<u>744,800</u>	<u>672,300</u>	<u>7.8</u>
<b>TOTAL</b>	<b>\$9,555,000</b>	<b>\$9,341,600</b>	<b>100.0%</b>

**Expenditures**

**Snowmobile Trail and Project Aids.** The Department distributes aids to participating

counties for the maintenance, development and acquisition of land to support 18,450 miles of interconnecting snowmobile trails throughout the state. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. DNR also funds the maintenance and development of 704.5 miles of snowmobile trails on state park, trail, recreation area, and forest lands.

County expenditures eligible for state aid (listed in priority order) are as follows: (a) maintenance of existing approved trails, up to a maximum of \$250 per mile per year; (b) club signing programs; (c) bridge rehabilitation; (d) municipal route signing; (e) trail rehabilitation; and (f) development of new trails.

In addition, a county or DNR is eligible for supplemental trail aid payments if actual eligible costs exceed the maximum of \$250 and, of the costs incurred, actual trail grooming costs exceed \$130 per mile per year. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula. Further, beginning in 2001-02, \$15 from each \$18 non-resident trail pass stickers sold in the prior year is also available for this purpose. If the supplemental aid payable to counties exceeds funding available from the multiplier, the Department may either prorate payments or request that the Joint Committee on Finance take action to provide additional funding from the snowmobile account for supplemental payments.

Table 13 provides a history of supplemental trail aid payments since the 40% multiplier was designated as a funding source. The table shows the total amount requested by counties, the amount paid in supplemental aids and the level of proration. Supplemental payments for a snowmobile season are paid in the following fiscal year.

**County Enforcement Aids.** The Department

**Table 13: Supplemental Snowmobile Trail Maintenance Payments**

Snowmobile Season	Total Request	Total Payment	Percent of Request Paid
1990-91	\$351,800	\$351,800	100.0%
1991-92	923,000	701,500	76.0
1992-93	983,900	724,600	73.6
1993-94	889,800	838,400	94.2
1994-95	477,700	477,700	100.0
1995-96*	1,925,500	1,116,200	58.0
1996-97*	2,130,000	1,642,300	77.1
1997-98	731,000	731,000	100.0
1998-99*	1,202,800	1,202,800	100.0
1999-00*	1,514,100	1,514,100	100.0
2000-01*	2,770,200	2,770,200	100.0
2001-02	589,200	589,200	100.0
2002-03	372,100	372,100	100.0

\*Payments for these seasons were supplemented through action by the Joint Committee on Finance.

provides aids to counties for up to 100% of eligible county costs of enforcing snowmobile laws. Aid payments can be prorated if claims exceed the appropriation level. For enforcement activities that occurred over the winter of 2003-04, 26 counties requested reimbursements totaling \$347,200, which represented 100% of the eligible costs of their local snowmobile patrol activities. These requests were reimbursed in full in state fiscal year 2004-05. Base funding for county enforcement aids was increased from \$200,000 to \$400,000 annually beginning in 2001-02.

**State Enforcement and Safety Training.** DNR is responsible for state enforcement of snowmobile laws by DNR conservation wardens and coordination of snowmobile safety programs. In 2003-04, the Department's wardens logged 16,564 hours on snowmobile-related safety and enforcement and issued 1,617 snowmobile citations.

The Department is also responsible for coordinating snowmobile safety courses taught by instructors certified by DNR. 1999 Act 9 created a requirement that effective January 1, 2001, any person born after January 1, 1985, must hold a valid snowmobile safety certificate in order to operate a snowmobile. In 2003-04, 7,392 people received

certificates upon successfully completing one of the snowmobiling safety courses offered throughout the state.

Table 14 identifies expenditures from the snowmobile account for the 2003-05 biennium.

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### Boat Registration Account

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Article IX of the Wisconsin Constitution specifies that the state's navigable waters "shall be common highways and forever free" to Wisconsin and U.S. citizens "without any tax, impost, or duty therefore." As a result, the use of revenue from boat registration fees has been limited to boating safety and law enforcement purposes by court interpretation of this constitutional provision.

### Revenue

The primary source of revenue deposited in the boat registration account is the registration fee collected for all motorized boats and sailboats over twelve feet in length operated on state waters. Motorized boat registration fees vary according to boat length. These fees are shown in Appendix V. Beginning in 2000, all boat registrations are valid for a period of up to three years, beginning on April 1 of the year in which the registration is issued and ending on March 31 of the third year after issuance.

Other sources of revenue to the boat registration account include: (a) boat titling and lien fees; (b) fees paid by people enrolled in boat safety programs; and (c) 1% of the sales tax revenue the Department collects from people who

**Table 14: Snowmobile Account Expenditures**

Expenditure Categories	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
Local Snowmobile Trail and Project Aids	\$6,497,600	\$7,790,300	86.6%
Snowmobile Aids Administration	\$161,700	\$144,300	2.2
Customer Assistance and External Relations Division	428,100	406,100	5.7
County Enforcement Aids Administration and Technology Division	222,200	400,000	3.0
State Enforcement and Safety Training	24,200	23,100	0.3
State Snowmobile Trails and Areas	82,000		1.1
Administrative Facility Repair and Debt Service	76,300	84,400	1.0
Miscellaneous	8,300	13,900	0.1
	<u>800</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,501,200</b>	<b>\$8,862,100</b>	<b>100.0%</b>

**Table 15: Boat Registration Account Revenue**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
Motorized Boat Registrations (Under 16 Feet)	\$2,247,300	\$533,100	33.1%
Motorized Boat Registrations (16 to 26 Feet)	3,308,100	993,500	48.8
Motorized Boat Registrations (26 to 40 Feet)	201,900	78,200	3.0
Motorized Boat Registrations (Over 40 Feet)	34,900	16,700	0.6
Motorized Fleet Registrations	84,400	15,500	1.2
Other Registration Fees	292,900	209,400	4.3
Nonmotorized Boat Registrations	59,700	14,900	0.9
Boat Title and Lien Fees	463,400	337,000	6.8
Miscellaneous	<u>88,400</u>	<u>89,500</u>	<u>1.3</u>
<b>TOTAL</b>	<b>\$6,781,000</b>	<b>\$2,287,800</b>	<b>100.0%</b>

have purchased boats and have not provided proof that a sales tax was paid (which is required before the boat can be registered).

Table 15 identifies revenue to the boat registration account for the 2003-05 biennium.

### Expenditures

Boating account revenues are used to fund: (a)



state costs of boating law enforcement by DNR conservation wardens and of administration of boating safety programs, and (b) aids to municipalities for up to 75% of the costs of local boating law enforcement and safety programs.

**Boating Enforcement and Safety Training.**

The Department utilizes conservation wardens to enforce the state's boating and related safety laws. During 2003-04, conservation wardens recorded 37,600 hours on this activity and issued 5,285 citations for boating-related violations. Funds from the boat registration account also support (in conjunction with the snowmobile and ATV accounts) an integrated on-line boat, snowmobile, and ATV registration processing system. The Department's safety training program disseminates boating safety information and administers a statewide program of safety courses conducted by local instructors trained, certified and supervised by DNR conservation wardens. The course material presented covers general boating laws and safety tips for the operation of all types of watercraft. The statutes require that youth between the ages of 12 and 16 take the course and obtain a certificate in order to operate a motorized boat without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In 2003-04, 7,316 people received certificates upon successfully completing one of the boat safety courses offered throughout the state.

**Boating Enforcement Aids to Municipalities.**

The Department distributes aids to municipalities for the costs of local boating law enforcement, search and rescue, and safety activities. Municipalities are eligible for up to 75% of their approved costs, but aid payments are prorated if claims exceed the appropriation level. No municipality may receive aid amounting to more than 20% of the funds available. For enforcement activities that occurred in 2003-04, 114 municipalities received reimbursements totaling \$1.4 million, which represented 64.3% of the eligible costs of their local water patrol activities.

Beginning in 2001-02, funding for boating enforcement aids was increased from \$1.1 million to \$1.4 million annually.

Table 16 identifies expenditures from the boat registration account for the 2003-05 biennium.

**Table 16: Boat Registration Account Expenditures**

Expenditure Categories	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
State Boating Enforcement and Safety	\$1,975,800	\$2,247,400	38.3%
Customer Assistance and External Relations Division	1,299,800	1,234,400	25.2
Boating Enforcement Aids Administration and Technology Division	1,400,000	1,400,000	27.2
Administrative Facility Repair and Debt Service	344,400	314,600	6.7
Boating Enforcement General Operations	25,500	45,200	0.5
Miscellaneous	68,600	66,700	1.3
Education and Safety	800	0	0.7
<b>TOTAL</b>	<b>\$5,153,100</b>	<b>\$5,308,400</b>	<b>100.0%</b>

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**All-Terrain Vehicle Account**

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The Department administers a state recreational program for all-terrain vehicles (ATVs).

**Revenue**

The main source of revenue to the ATV account is from ATV registrations. An ATV may not be operated in the state unless it is registered with DNR, subject to certain exceptions. Fees for ATV registrations were increased in April, 2004, under 2003 Act 251. This was the first ATV registration fee increase since the program was created as part of the 1985-87 biennial budget act. A fee of \$30 (increased from \$12 under Act 251) is assessed for a public operation permit, which is valid for a two-year period. The fee for a private operations

permit, under which an ATV may be operated on private property only, was increased to \$15 (from \$6). A private operations permit is valid until the ownership of the vehicle is transferred. In addition, a commercial ATV registration fee of \$90 (increased from \$36) is required.

Act 251 also created a non-resident trail pass for all-terrain vehicles. ATVs not registered in Wisconsin are required to display an annual trail use sticker to use public ATV corridors beginning April 28, 2004. The fee for the annual sticker is set at \$18 (the same rate as charged for snowmobile trail passes). Trail passes expire on June 30 of each year.

Revenue is also derived from a transfer of ATV fuel tax revenue to the account. The transfer is made annually, which equals the number of registered ATVs as of the last day of February of the previous fiscal year multiplied by the amount of motor fuel tax assessed on 25 gallons of gasoline as of that date. For 2004-05, \$1,435,800 from this transfer will be available for the ATV account, based on the number of ATVs registered for public use on February 28, 2004, and the motor fuel tax rate as of that date (201,509 ATVs x 25 gallons per ATV x 28.5¢ per gallon).

Other sources of revenue to the account include: (a) ATV safety certificate fees, and (b) 1% of the total sales tax revenue DNR collects from people who have purchased ATVs and have not provided proof that a sales tax was paid (which is required before the vehicle can be registered).

Table 17 shows 2003-04 actual and 2004-05 estimated revenue to the all-terrain vehicle account.

## Expenditures

**Local and State ATV Trail and Project Aids.** Towns, villages, cities, counties and federal agencies can receive grant funding from the ATV

**Table 17: All-Terrain Vehicle Account Revenue**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
ATV Registrations	\$2,540,400	\$3,637,700	66.1%
Fuel Tax Transfer	1,243,300	1,435,800	32.4
Miscellaneous	<u>58,500</u>	<u>46,200</u>	<u>1.5</u>
<b>TOTAL</b>	<b>\$3,842,200</b>	<b>\$5,119,700</b>	<b>100.0%</b>

account 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. In addition to local aids, funding is also provided from the ATV account for the same acquisition, development and maintenance projects on state-owned ATV areas and trails. In 2004, DNR promulgated an administrative rule that increased its rate of reimbursement for summer ATV trail maintenance work from \$220 per mile to \$450 per mile and from \$80 per mile to \$100 per mile for winter trail miles. The state supports approximately 1,400 summer trail miles, and almost 4,000 winter miles which are managed by local units of government. An additional 150 state trail miles are maintained by the Department.

**State Enforcement and Safety Training.** Part of the workload of conservation wardens is the enforcement of state ATV laws. During 2003-04, wardens recorded 9,246 hours on ATV-related law enforcement and safety activities and issued 1,397 citations for violations related to ATVs. Act 251 added four additional warden positions and one safety education position for increased ATV enforcement efforts. The Department's safety training program disseminates ATV safety information and administers a statewide program of safety courses conducted by local instructors who are trained, certified and supervised by DNR conservation wardens. The course material presented covers general ATV laws and safety tips

for the operation of all ATVs.

**Trail Safety Grant.** The ATV safety enhancement grant program was created under 2001 Act 16. Available funding is awarded in the form of a grant to a non-profit organization (currently the National Off-Highway Vehicle Insurance Services Group, Inc. or NOHVIS), to assist DNR in promoting the operation of ATVs in a safe and responsible manner, recruiting and training volunteer ATV safety instructors and "trail ambassadors," and improving relationships with groups that promote recreational ATV operation.

**ATV Safety Education.** The statutes require that youth between the ages of 12 and 16 take an ATV safety training course and obtain a certificate in order to operate an ATV without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In 2003-04, 5,129 people received certificates upon successfully completing one of the ATV safety courses offered throughout the state.

**County Enforcement Aids.** The Department also distributes aids to counties for the costs of local patrol units charged with ATV law enforcement. Counties may receive up to 100 percent of eligible costs, but aid payments can be prorated if claims exceed the appropriation level. For enforcement activities that occurred in 2003-04, 9 counties applied for reimbursements totaling \$195,800, and were fully reimbursed from the 2004-05 appropriation.

Summaries of 2003-05 biennial expenditures from the all-terrain vehicle account are presented in Table 18.

**Table 18: All-Terrain Vehicle Account Expenditures**

Expenditure Categories	2003-04 Actual	2004-05 Appropriated	2003-04 % of Total
Local ATV Trail and Project Aids	\$1,638,700	\$2,771,900	55.7%
State ATV Trail and Project Aids	160,000	325,000	5.4
State Enforcement and Safety Training	347,100	1,172,800	11.8
ATV Trail Safety Grant	334,000	250,000	11.4
ATV Safety Education	53,700	55,000	1.8
County Enforcement Aids	100,000	200,000	3.4
Miscellaneous	400		0.0
Customer Assistance and External Relations Division Administration and Technology Division	239,000	228,600	8.1
Administrative Facility Repair and Debt Service	64,900	60,200	2.2
	<u>2,500</u>	<u>3,900</u>	<u>0.1</u>
<b>TOTAL</b>	<b>\$2,940,300</b>	<b>\$5,067,400</b>	<b>100.0%</b>

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### Endangered Resources Account

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#### Revenue

A voluntary income tax check-off program was created in 1983 to support DNR's endangered resources protection program. Individual income taxpayers can donate a portion of their tax refund or, if taxes are due, include an additional amount with their tax payment for the endangered resources program. Beginning with tax year 2001, corporate income taxpayers are also be allowed to participate in the check-off program. After deducting the costs it incurs for collecting the donated amounts, the Department of Revenue forwards the check-off revenue to DNR for deposit in the conservation fund.

For tax year 2003, state taxpayers submitted a total of approximately 2,702,700 tax returns to the Department of Revenue, of which approximately 39,000 (1.4%) included amounts designated for the endangered resources program. The tax check-off

brought in a total of approximately \$626,100, with an average donation of \$16.05 per return. After deducting Department of Revenue administrative expenditures, DNR anticipates receiving approximately \$611,000 in 2004-05. In addition, tax check-off revenues of up to \$312,200 were matched in 2003-04 by an equal amount of general purpose revenues (GPR) made available to the program. Check-off revenues are statutorily matched up to \$500,000, however, the GPR match was reduced to \$312,200 in 2003-04 and to \$364,000 in 2004-05 under 2003 Act 33.

1993 Act 415 created an endangered resources license plate (depicting a timber wolf and rising moon) that became available starting January 1, 1995. The \$25 additional annual fee required to buy the plate is credited to the account. In 2003-04, 23,394 endangered resources license plates generated \$584,900, bringing the total revenue generated by plate sales since their introduction to over \$4.8 million.

Other revenue to the account would include the sale of resident wild ginseng harvest and Class A resident wild ginseng dealer licenses, sale of wild rice harvesting permits, and revenue from timber harvests in state natural areas.

### **Expenditures**

The endangered resources account supports staff in the Bureau of Endangered Resources, who coordinate research, survey and habitat projects and manage state natural areas. Examples of these projects include implementing a habitat conservation plan for the Karner Blue butterfly, devising a management plan for timber wolf in the state, and monitoring nesting boxes for peregrine falcons. Also, DNR has successfully reintroduced trumpeter swans to Wisconsin, and the bald eagle was removed from the state's endangered species list in 1997.

Funds from tribal gaming program revenue were allocated in the 1999-01 biennial budget to fund a 0.5 wildlife biologist position for work related to the reintroduction of the whooping crane to Wisconsin. Wildlife officials on the Joint U.S./Canada Whooping Crane Recovery Team designated central Wisconsin (in the vicinity of the Necedah National Wildlife Refuge) to be the site for reintroduction of a migratory flock of the endangered whooping crane. A migration of whooping cranes led by an ultralight aircraft from the Necedah National Wildlife Refuge to the Gulf Coast of Florida has been completed each year since the fall of 2001. Under 2001 Act 16, an additional \$37,600 in 2001-02 and \$43,500 in 2002-03 with 0.5 position was provided from the fish and wildlife account to increase efforts related to the reintroduction of the whooping crane.

Although the agency may expend all monies it receives from the endangered resources tax check-off and sales of the endangered resources license plate, the statutes require that 3% of this amount in any fiscal year, not to exceed \$100,000, be allocated for endangered wildlife damage control and payments of claims for damage associated with endangered species. A provision in the 1999-01 biennial budget specified that damage caused by gray wolves would remain eligible for payment under the endangered resources wildlife damage program, regardless of whether gray wolves were listed as an endangered or threatened species. In 2003-04, \$57,500 was paid in damage claims, 100% of which was related to damage caused by wolves. DNR may also use its GPR appropriation for endangered resources to pay damage claims.

Table 19 identifies 2003-04 and 2004-05 revenue to, and expenditures from, the endangered resources account.

**Table 19: Endangered Resources Account**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
License Plate Sales	\$584,900	\$561,500	38.0%
Income Tax Check-off	629,900	611,000	41.0
Other Revenue	<u>322,700</u>	<u>281,900</u>	<u>21.0</u>
<b>TOTAL</b>	<b>\$1,537,500</b>	<b>\$1,454,400</b>	<b>100.0%</b>
Expenditures	\$2,022,800	\$1,486,900	100.0%

**Natural Resources Magazine Account**

**Revenue**

The statutes authorize the Department to issue and distribute a magazine containing information on resource management and related subjects. The direct costs of the agency's bi-monthly publication, Wisconsin Natural Resources, are entirely funded from subscription, single copy and reprint sales. The magazine carries no advertisements. The current subscription rates (including a yearly \$1 shipping and handling fee) are \$8.97 for one year, \$15.97 for two years and \$21.97 for three years. The retail price of the magazine is \$3 per issue. The rates are intended to recover the magazine's production costs.

Conservation patron license holders receive an annual subscription to the magazine as part of the license. A portion of the revenue from the sale of patron licenses is deposited in the natural resources magazine account to reflect the number of subscriptions attributable to patron license holders.

Approximately 112,800 people subscribe to the magazine. In addition, a small number of single copies are available at retail stores.

**Expenditures**

Account revenues support 3.5 positions within

the agency's Bureau of Communication and Education, who are responsible for producing the magazine. In addition, revenues are also used to fund the printing and distribution of Wisconsin Natural Resources. Articles and photographs that appear in the magazine are contributed by DNR employees and persons outside of the agency, who do not receive cash compensation for their submissions.

Table 20 identifies revenue to and expenditures from the magazine account for the 2003-05 biennium.

**Table 20: Natural Resources Magazine Account**

Revenue Sources	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
Magazine Subscriptions	\$281,500	\$277,300	35.2%
Conservation Patron Allocation	476,200	476,200	59.5
Reprint Sales	31,800	30,200	4.0
Other Revenue	<u>10,800</u>	<u>9,100</u>	<u>1.3</u>
<b>TOTAL</b>	<b>\$800,300</b>	<b>\$792,800</b>	<b>100.0%</b>
Expenditures	\$848,100	\$895,400	100.0%

**Motorcycle Recreation Account**

Currently, the only revenue source to the motorcycle account is the investment income earned on the account's cash balance. Prior to 1981, the account was also funded by a \$2 surcharge on motorcycle registrations. The cash balance in the account on July 1, 2004 was \$150,900, with \$66,000 in trail aids funding committed. Further, \$4,000 in investment income is anticipated leaving an available balance of approximately \$88,900 in the account. However, no expenditure authority has been appropriated from the motorcycle account for 2004-05.

DNR provides aids to municipalities and federal agencies for the acquisition, development,

operation and maintenance of off-the-road motorcycle trails and facilities. In addition, DNR has funded development and maintenance activities for existing off-the-road trails at the Bong Recreation Area (Kenosha County) and the Black River State Forest (Jackson County).

Table 21 identifies revenue to and expenditures from the motorcycle account for the 2003-05 biennium.

**Table 21: Motorcycle Recreation Account**

	2003-04 Actual	2004-05 Estimate	2003-04 % of Total
<b>Revenue Source</b>			
Investment Income	\$11,900	\$4,000	100.0%
<b>Expenditure Categories</b>			
Motorcycle Recreation Aids	\$97,100	0	76.6%
Administrative Facility Repair and Debt Service	<u>1,000</u>	<u>0</u>	<u>1.3</u>
<b>TOTAL</b>	\$98,100	\$0	100.0%

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**General Conservation Fund**

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**Revenue**

All of the accounts in the conservation fund receive investment income earned on the balance of the overall fund. DNR uses the monthly cash balance in each account of the conservation fund to distribute investment income to each of the accounts. The amount of investment income that is credited to each account is determined by the percentage that the cash balance of an individual account is of the overall cash balance in the conservation fund at the end of a given month.

**Expenditures**

A number of expenditures are common to more than one account within the conservation fund.

The amounts paid for these expenditures are intended to reflect the estimated share that each account's programs contribute to the overall expenditure. These expenditure categories may also receive funding from other sources, such as the general fund, environmental fund or federal revenues. These expenditures include: (a) administration and technology; (b) customer assistance and external relations; (c) division management; (d) facilities and lands operations; (e) integrated science services; (f) administrative facility repair and debt service; (g) aids in lieu of taxes; (h) taxes and assessments; and (i) resource acquisition and development. In 2004-05, \$52.6 million is budgeted for these purposes out of total conservation fund expenditures of \$200.3 million.

**Administration and Technology Division.**

This division provides for the overall management and direction of the Department as well as support services utilized by all of the programs within the Department. The management component includes the Secretary of the Department, management specialists and support staff. The other support services provided by the division include legal, financial and information technology services; budget and human resource management; and field services (such as inventory control, fleet management and procurement and aviation services). All accounts contribute to the Division of Administration and Technology except the endangered resources and natural resources magazine accounts. In 2004-05, \$20,383,700 is budgeted from the conservation fund for this division.

**Customer Assistance and External Relations (CAER) Division.**

This division is responsible for providing many of the major customer service needs of DNR, including hunting and fishing license sales, recreational vehicle registrations, communication and education initiatives (including DNR's minority internship program and the MacKenzie Environmental Center), and the administration of several of the Department's local grant programs. The Department's liaison support

to the Legislature, businesses and tribal, local and federal governments are also part of this program. Overall division management is also provided. Funding for this purpose comes from the all of the accounts except the endangered resources and natural resources magazine accounts. In 2004-05, \$15,031,500 is budgeted from the conservation fund for the CAER Division.

**Division Management.** The fish and wildlife, forestry and parks accounts all contribute funding (\$843,800 is allocated in 2004-05) to the management of the Division of Land. In addition, the fish and wildlife account contributes to the management of the Divisions of Water (\$594,700 budgeted in 2004-05) and Enforcement and Science (\$454,600 budgeted in 2004-05). The management staff of the DNR divisions are responsible for developing and implementing policy for their overall divisions and include the division administrators, deputy administrators, and regional management.

**Bureau of Facilities and Lands.** The Bureau of Facilities and Lands' responsibilities include managing and maintaining the Department's administrative facilities, planning and implementing the agency's land acquisition program and capital development budget, maintaining land records and directing the payment of property taxes and aids in lieu of taxes to affected local governments. Civil engineering, construction activities and contract management for environmental remediation on DNR properties are also undertaken by this bureau. The fish and wildlife, forestry and parks accounts allocated \$5,867,600 to this bureau for operations in 2004-05.

**Bureau of Integrated Science Services (ISS).** The Bureau of Integrated Science Services in the Division of Enforcement and Science is partially funded from the fish and wildlife, forestry, parks and water resources accounts, for a total of \$2,622,300 in 2004-05. ISS coordinates the various aspects of the Department's ecological,

environmental and sociological research program. The bureau both operates research facilities and manages contracts with outside facilities. Review of major public and private proposals under the National Environmental Policy Act and the Wisconsin Environmental Policy Act are also handled by ISS. The Bureau also collects certain environmental fees and certifies operations of environmental facilities.

**DNR/DOT Radio Communication Merger.** In 1999, seven positions were transferred from DNR to the Department of Transportation as part of a radio communications merger. Under the merger, DNR continues to pay DOT for radio communication services. These payments are budgeted at \$372,700 in 2004-05. The payments are split between eight of the conservation fund accounts (excluding the endangered resources and the natural resources magazine account).

**Administrative Facility Repair and Debt Service.** Funding is budgeted to maintain DNR buildings on state-owned properties and to finance the debt service on bonds used to pay for the construction of certain buildings. All accounts contribute to administrative facility repair and debt service except for the endangered resources and natural resources magazine accounts. In 2004-05, \$2,207,300 from the conservation fund is allocated for debt service and repairs.

**Aids in Lieu of Property Taxes.** DNR provides aids to cities, villages or towns in lieu of property taxes for DNR-owned land within each municipality, budgeted at \$7,496,600 in 2004-05 (\$4,625,000 GPR and \$2,871,600 SEG). Segregated funds support aids in lieu of property taxes for certain purchases made prior to 1991 and come from the fish and wildlife, forestry and parks accounts.

Payments vary depending on when the land was purchased. The aid payment for land purchased prior to July 1, 1969, is 88¢ per acre.

(Prior to 1997 Act 27, this rate was 80¢ per acre.) For land purchased after July 1, 1969, and through December 31, 1991, payments are based on the statewide average property tax rate for municipal, county and school taxes for the tax year after purchase applied to the land's assessed value. For this latter category of land, each year after the initial year the payment is reduced by 10% of the first year amount until the 10th year or until a payment of 50¢ per acre is reached.

For land the Department purchased after December 31, 1991, DNR pays each municipality an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality that receives the payment from DNR pays each taxing jurisdiction a proportionate share of the payment, based on its levy. From 1993-94 until 2002-03, all aids in lieu of taxes payments made for properties purchased after December 31, 1991, were supported entirely by a sum-sufficient GPR appropriation. Under 2003 Act 33, a sum certain segregated revenue appropriation from the forestry account of the conservation fund was created. Under current law, these payments are supported from both the sum sufficient GPR appropriation and the sum-certain forestry SEG appropriation, with the first draw made on forestry SEG (appropriated at \$2 million in 2004-05).

#### **Resources Acquisition and Development.**

Funds from the fish and wildlife, forestry, parks, water resources, snowmobile, ATV, and boat accounts (\$1,948,700 budgeted in 2004-05) are utilized to develop certain properties within those respective programs. The 1997 and 1999 budgets, for example, provided funding from the forestry account to build four ranger stations located at Wausaukee (Marinette County), Lake Tomahawk

(Oneida County), Augusta (Eau Claire County), and Webster (Burnett County). A total of seven ranger stations have been recommended to be replaced through 2005. In addition, funding to rehabilitate fish hatcheries has been proposed, as has funding for the renovation of several DNR service centers. In recent years, segregated funds appropriated for this purpose have been replaced to some extent by funds available under the Stewardship 2000 program.

**Taxes and Assessments.** Taxes and assessments levied against DNR are paid in part from the fish and wildlife, forestry and parks accounts. These assessments most commonly occur when a local government undertakes an infrastructure improvement that also affects DNR property (such as the extension of sewer lines by the city of Baraboo to Devil's Lake State Park). The locality then assesses DNR some amount for the cost of the improvement. A total of \$300,000 from the conservation fund is budgeted for taxes and assessments in 2004-05.

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## **Appendices**

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Following are five appendices which provide additional information about the conservation fund. Appendix I shows estimates of the overall condition statement for the conservation fund (based primarily on projections included in DNR's biennial budget request). Appendix II lists the fees assessed for hunting and fishing licenses and permits and the total number sold during 2003-04. Appendix III identifies vehicle admission fees and camping fees assessed for state park and forest properties. State parks and recreation areas and their locations are shown in Appendix IV. Appendix V identifies the fees assessed for boat registration.



## APPENDIX I

### Conservation Fund Condition Statement 2003-05 Biennium

	Fish and Wildlife	Forestry	Parks	Water Resources	Snowmobile	Boat Registration	All-Terrain Vehicle	Endangered Resources	Natural Resources Magazine	Motorcycle Recreation	Total Conservation Fund
<b>2003-04 Actual</b>											
Opening Balance	\$9,116,800	\$10,089,000	-\$218,500	\$18,748,900	\$4,363,800	\$1,647,700	\$1,709,200	\$1,822,000	\$741,600	\$237,100	\$48,257,600
Revenue	64,747,300	88,129,600	11,952,200	12,178,000	9,555,000	6,781,000	3,842,200	1,537,500	800,300	11,900	199,535,000
Expenditures	67,984,200	82,004,600	11,811,400	12,074,600	7,501,200	5,153,100	2,940,300	2,022,800	848,100	98,100	192,438,400
Closing Cash Balance	5,879,900	16,214,000	-77,700	18,852,300	6,417,600	3,275,600	2,611,100	1,336,700	693,800	150,900	55,354,200
<b>2004-05: Estimate</b>											
Opening Cash Balance	5,879,900	16,214,000	-77,700	18,852,300	6,417,600	3,275,600	2,611,100	1,336,700	693,800	150,900	55,354,200
Revenue	67,985,800	92,518,300	12,078,500	12,266,600	9,341,600	2,287,800	5,119,700	1,454,400	792,800	4,000	203,849,500
Expenditures	67,891,000	85,328,600	11,599,700	13,822,700	8,862,200	5,308,400	5,067,400	1,486,900	895,400	0	200,262,300
Closing Balance	5,974,700	23,403,700	401,100	17,296,200	6,897,000	255,000	2,663,400	1,304,200	591,200	154,900	58,941,400
Encumbrances/Reserves	10,043,900	13,359,700	753,400	21,121,900	7,034,900	255,000	1,348,600	1,304,200	591,200	66,000	55,878,800
Estimated Available Balance	-\$4,069,200	\$10,044,000	-\$352,300	-\$3,825,700	-\$137,900	\$0	\$1,314,800	\$0	\$0	\$88,900	\$3,062,600

Note: Fiscal year 2004-05 expenditures reflect authorized levels. If revenues are insufficient to support authorized expenditures DNR would be required to reduce expenditures to maintain a positive balance.

**APPENDIX II**  
**Major Hunting and Fishing Licenses and Permits**  
**Current Fees and 2003-04 Sales**

	Current Total Fee*	Number of Licenses Sold
<b>HUNTING</b>		
<b>Resident</b>		
Small Game	\$16.00	94,982
Senior Small Game	8.00	9,616
Youth Small Game	9.00	22,788
Deer	20.00	456,867
Elk	45.00	0
Bonus Deer Permit	12.00	146,751
Class A Bear	45.00	3,661
Class B Bear	14.00	7,803
Archer	20.00	161,844
Wild Turkey Permit	13.00	82,959
Trapping	20.00	3,365
<b>Nonresident</b>		
Annual Small Game	\$80.00	6,958
Five-Day Small Game	50.00	4,348
Deer	160.00	34,998
Elk	251.00	0
Bonus Deer Permit	20.00	8,534
Class A Bear	251.00	76
Class B Bear	110.00	285
Archer	160.00	7,479
Wild Turkey Permit	60.00	3,403
Fur-bearing Animal	160.00	40
<b>Other Hunting</b>		
Pheasant Stamp	\$7.25	33,942
Wild Turkey Stamp	5.25	95,182
Waterfowl Stamp	7.00	56,103
<b>FISHING</b>		
<b>Resident</b>		
Annual	\$17.00	515,805
Husband and Wife	29.00	104,461
Youth and Senior Annual	7.00	107,959
Sturgeon Spearing	20.00	7,622
Disabled	7.00	10,182
Disabled Veteran	3.00	1,597
<b>Nonresident</b>		
<b>Individual:</b>		
Annual	\$40.00	102,466
Fifteen-Day	24.00	31,727
Four-Day	18.00	119,507
Sturgeon Spearing	50.00	117
<b>Family:</b>		
Annual	\$65.00	29,367
Fifteen-Day	40.00	17,341
<b>Other Fishing</b>		
Two-Day Great Lakes	\$14.00	31,251
Inland Trout Stamp	7.25	137,761
Great Lakes Salmon and Trout Stamp	10.00	121,894
<b>OTHER LICENSES AND CARDS</b>		
<b>Resident</b>		
Conservation Patron	\$140.00	72,265
Sports License	45.00	77,685
Junior Conservation Patron**	\$75.00	2,715
Junior Sports License**	35.00	1,462

\* Includes the base fee, issuance fee and wildlife damage surcharge on most hunting licenses.

\*\* Resident and non-resident license holders pay the same fee.

## APPENDIX III

### State Parks and Forests Recreation Fees As of January 1, 2005

Vehicle Admissions	Fee
<b>Resident</b>	
Annual	\$20.00
Additional Annual	10.00
Daily Auto	5.00
Daily Bus	10.00
Senior Annual	10.00
Senior Daily	3.00
One Hour Admission	3.00
<b>Nonresident</b>	
Annual	\$30.00
Additional Annual	15.00
Daily Auto	10.00
Daily Bus	14.00
<b>State Trail Pass</b>	
Resident or Non-Resident Annual	\$15.00
Resident or Non-Resident Daily	4.00
<b>Campground Sites*</b>	
Resident, Per Night*	\$7.00 - 10.00
Non-Resident, Per Night*	9.00 - 12.00
Extra Charge for Electricity, Per Night	5.00
Reservation Fee, Per Reservation	9.50
Reservation Cancellation Fee, Per Reservation	8.50

\* DNR may charge additional fees based on local market conditions, campground amenities, day of the week, season, and camper's residency.

## APPENDIX IV

### State Parks and Recreation Areas Operated by DNR

Facility	Nearby City	County
Amnicon Falls	Superior	Douglas
Aztalan	Lake Mills	Jefferson
Big Bay	Bayfield	Ashland
Big Foot Beach	Lake Geneva	Walworth
Blue Mound	Blue Mounds	Iowa
Bong	Kansasville	Kenosha
Browntown-Cadiz Springs	Monroe	Green
Brunet Island	Cornell	Chippewa
Buckhorn	Necedah	Juneau
Capital Springs	Madison	Dane
Chippewa Moraine	New Auburn	Chippewa
Copper Falls	Mellen	Ashland
Council Grounds	Merrill	Lincoln
Devil's Lake	Baraboo	Sauk
Governor Dodge	Dodgeville	Iowa
Governor Nelson	Waunakee	Dane
Harrington Beach	Belgium	Ozaukee
Hartman Creek	Waupaca	Waupaca
High Cliff	Menasha	Calumet
Hoffman Hills	Menomonie	Dunn
Interstate	St. Croix Falls	Polk
Kinnickinnic	River Falls	Pierce
Kohler-Andrae	Sheboygan	Sheboygan
Lake Kegonsa	Stoughton	Dane
Lakeshore*	Milwaukee	Milwaukee
Lake Wissota	Chippewa Falls	Chippewa
Merrick	Fountain City	Buffalo
Mill Bluff	Camp Douglas	Monroe
Mirror Lake	Baraboo	Sauk
Natural Bridge	Baraboo	Sauk
Nelson Dewey	Cassville	Grant
New Glarus Woods	New Glarus	Green
Newport	Ellison Bay	Door
Pattison	Superior	Douglas
Peninsula	Fish Creek	Door
Perrot	Trempealeau	Trempealeau
Potawatomi	Sturgeon Bay	Door
Rib Mountain	Wausau	Marathon
Roche-A-Cri	Friendship	Adams
Rock Island	Washington	Door
Rocky Arbor	Wisconsin Dells	Sauk
Tommy G. Thompson*	Mountain	Marinette
Tower Hill	Spring Green	Iowa
Whitefish Dunes	Sturgeon Bay	Door
Wildcat Mountain	Ontario	Vernon
Willow River	Hudson	St. Croix
Wyalusing	Bagley	Grant
Yellowstone Lake	Blanchardville	Lafayette

\*These two new parks are not yet open, or are open on a limited basis, for public use.

## APPENDIX V

### Boat Registration Fees (Valid for Three Years) As of January 1, 2005

<b>Nonfleet Boats</b>	
Nonpowered Sailboat	\$15.00
Motorboats, under 16 feet	16.50
Motorboats, 16 to 26 feet	24.00
Motorboats, 26 to 40 feet	45.00
Motorboats, over 40 feet	75.00
Voluntarily registered boats	9.75
<b>Fleet Boats</b>	
Fleet Fee*	\$27.00
Nonpowered Sailboat	7.50
Motorboats, under 16 feet	8.25
Motorboats, 16 to 26 feet	12.00
Motorboats, 26 to 40 feet	22.50
Motorboats, over 40 feet	37.50
Voluntarily registered boats	4.88
<b>Other Fees</b>	
Dealer/manufacturer fee	\$75.00
Ownership transfer Issuance	3.75

\* The fleet fee is applied to people who own and register three or more boats, and is paid in addition to the per boat fee shown.