

Transportation Committee

HB 1653

Brief Description: *Adjusting ORV funding.*

Sponsors: *Representatives Cooper, Ericksen, Wood, Jarrett, Dunshee and Anderson.*

Brief Summary of Bill

- *Adjusts the distribution requirements for the Interagency Committee for Outdoor Recreation's (IAC) grant program which funds off-road vehicle and nonhighway road recreational facilities and programs.*
- *Requires the IAC and the Department of Licensing to jointly contract with an independent entity to study the sources of refund fuel tax revenue and determine the distributions and uses of the funds distributed through the IAC's off-road recreational grant program.*

Hearing Date: *2/20/01*

Staff: *Reema Griffith (786-7301).*

Background:

Under current law, gasoline is assessed a fuel tax rate of .23 cents per gallon, and the revenue generated by this tax goes towards the betterment of highways and roadways. However, the legislature determined in 1971 that not all fuel was used on highways and that there was a significant usage of fuel on non-highway roads and for nonhighway purposes that occurred on national forest land, and state land as well. Based on this conclusion, the legislature further determined that those individuals who used fuel for nonhighway purposes were entitled to a refund on their fuel tax, and therefore mandated the treasurer set aside 1 percent of revenue collected on fuel tax, which at that time was at a rate of .18 cents per gallon. This set aside was required to be deposited into a recreational account in the General Fund. The 1 percent set aside was capped at the .18 cent level and is held constant today.

Current law mandates the distribution of the 1 percent set aside as follows:

·45.5 percent is deposited into the Off-Road Vehicle (ORV) and nonhighway Vehicle Account, largely administered by the Department of Natural Resources (DNR), and is used to maintain and manage ORV and nonhighway road recreational facilities on DNR land.

·54.5 percent is deposited into the Nonhighway and Off-Road Vehicle Activities Program Account (NOVA), administered by the Inter-Agency for Outdoor Recreation (IAC) for the planning, maintenance and management of ORV and nonhighway road recreational facilities, as well as ORV user education and ORV law enforcement programs.

Once these funds are appropriated to DNR and the IAC, current law mandates the expenditure of these funds, which is done via a grant program with the IAC. Distributions of their grant funds are generally done as follows:

·20 percent to ORV education, information, and law enforcement

·20 percent to nonhighway road recreation facilities

·60 percent to ORV recreation facilities

Summary of Bill:

Section 1:

For purposes of further clarification, definitions are added for nonmotorized trail,– nonhighway road use area,– and nonhighway road recreation facility.–

Section 2:

The expenditure guidelines for the IAC's total portion of the fuel tax refund revenue is adjusted as follows:

·For ORV recreation facilities and programs, a minimum expenditure limit is set at 40 percent and a maximum expenditure limit is set at 60 percent.

·For ORV education and law enforcement programs, a minimum expenditure limit is set at 20 percent and the maximum expenditure limit of 20 percent is removed.

·The expenditure standards for nonhighway road recreation facilities is removed.

·For nonmotorized trail recreational facilities and programs, a minimum expenditure limit is set at 40 percent and a maximum expenditure limit is set at 60 percent.

Section 3:

The Department of Licensing (DOL) and the IAC are directed to jointly contract with an independent entity to study the sources of the fuel tax refund revenue and determine the distributions and uses of the funds distributed through the IAC's off-road recreational grant program. The study must analyze and determine the relative portion of fuel tax refund revenue that is attributable to vehicles operating off-road or on nonhighway roads for recreational activities, and the type of facilities used. The study will be funded with NOVA account funds.

The IAC and DOL must review the analysis and submit recommendations to the legislature by January 1, 2002 which shall include recommendations on the allocation of fuel tax refund revenue proportionate to the uses generating the revenue.

Section 4:

Additional limitations are imposed on the IAC's fund distribution process, and are as follows:

- The IAC is prohibited from distributing ORV funds to Federal agencies when those funds are to be spent for ORV capital or reconstruction projects that would increase ORV activity in roadless areas.–*
- Funds distributed for non-motorized trail recreational facilities may be awarded to projects on tribal land, regardless of the project's proximity to a nonhighway road.*
- With the exception of the funds granted for ORV education and law enforcement programs, the IAC must establish grant evaluation criteria that places the highest priority on those projects which have volunteer contributions.*

Section 5:

Changes are made to the composition of the IAC nonhighway road recreationists advisory committee, to include representatives from nonmotorized recreation groups and governmental entities that maintain or provide service to ORV recreational facilities or nonmotorized trail facilities.

The IAC must also make sure that the makeup of the advisory committee is proportionate to the number of people participating in the various related recreation activities which the IAC provides funding for. To ensure that this happens, the IAC must review recreation participation data every five years, beginning January 1, 2005, to consider recomposition of the advisory committee.

Appropriation: *The Sum of \$170,400 from the General Fund.*

Fiscal Note: *Available.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*