



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 970

PRINTERS NO. 1945

PRIME SPONSOR: Causer

### COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 970, Printer's Number 1945, amends Title 75 relating to the operation of all-terrain vehicles (ATVs), splits the Snowmobile and ATV restricted account into two separate funds and establishes regulations and a new agency grant application program for administering these funds.

**ANALYSIS:** This bill amends Title 75 to make a number of changes relating to ATVs in the Vehicle Code, but the primary focus is to divide the current Snowmobile and ATV Regulation restricted account in the Department of Conservation and Natural Resources (DCNR) into two separate funds: the ATV Management Fund and Snowmobile Management Fund. All moneys received from Snowmobile and ATV program sources, such as registrations, sale of publications or services and enforcement-related fees, shall be deposited into its respective fund.

The department shall draw moneys from these funds to use in performing program duties, including registration and certificate of title activities, training, education, enforcement activities, and grants-in-aid related to construction and maintenance of snowmobile and ATV trails and acquisition of equipment, supplies and interests in land. The bill also states that, "with the exception of trails used by both snowmobiles and ATV's, under no circumstances shall the department expend any moneys from any fund except for the activity that generated those funds." All moneys existing in the restricted account shall be divided into the two funds on a proportional basis.

House Bill 970 lists several provisions directing agency action, including:

- DCNR shall promulgate regulations related to the grant-in-aid program for snowmobiles and ATVs "in a manner that is separate from regulations pertaining to any other grant program administered by DCNR.
- DCNR shall establish a quarterly approval grant process for both funds.
- The Auditor General or the Auditor General's designee shall perform a fiscal and performance audit of the restricted account biennially.
- Copies of the audit shall be posted and maintained on DCNR's publicly accessible Internet website and shall be provided to the Snowmobile and ATV Advisory Committee, the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives.
- DCNR shall prepare an annual report on income and expenditures from each fund of the restricted account and it shall be posted and maintained on the department's publicly accessible Internet website and provided to the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives.

The bill makes editorial changes and revises the membership of the existing Snowmobile and ATV Advisory Committee to include a member from the Department of Community and Economic Development and a member from a list of three candidates provided by the PA Economic Development Association. The two members representing conservation or nonmotorized recreation are removed. It also requires the committee to meet at least semiannually instead of annually.

The bill also makes a number of changes related to ATVs in the Vehicle Code, such as allowing Class II ATVs to be operated on state roads and trails designated as open for ATV use. The bill inserts additional language allowing a youthful operator to present the appropriate safety certificate to any law enforcement officer within 72 hours of receiving notice of violation for operating an ATV.

This legislation would take effect immediately with regard to the creation of the separate Snowmobile and ATV funds as well as the changes to the advisory committee. The remaining provisions shall take effect 60 days upon enactment.

**FISCAL IMPACT:** This legislation would split the current Snowmobile and ATV Regulation restricted account in the Department of Conservation and Natural Resources (DCNR) into two separate funds: the ATV Management Fund and the Snowmobile Management Fund (SMF). If this was done using current revenues within the account, snowmobile and ATV registrations would provide approximately \$612,000 into the SMF and \$2.7 million into the ATV Management Fund. This does not include any other sources of revenue in the current account which generated a combined total of \$4.5 million in revenue.

It is expected that any additional administrative costs for generally managing these accounts, promulgating regulations and preparing and distributing reports would be covered under the department's existing operations.

Secondly, the bill makes changes to the existing Snowmobile and ATV Advisory Committee by requiring at least one extra meeting per year. This will slightly increase agency administrative costs to pay per diem expenses of the committee, plus additional agency staff and support costs.

In short, enactment of this legislation would have an immediate fiscal impact of approximately \$200,000 between the administrative and operational duties required of both DCNR and the Auditor General. However, implementing a quarterly grant approval process for Snowmobile and ATV applications separate from the agency's existing grant programs could result in both the potential loss of leveraging other special and federal funding and additional operating costs for a separate system.

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**DATE:** June 25, 2015

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*