Budget in Brief: Outdoor Recreation User Fees

What is the problem we are trying to solve?

Many outdoor recreation user fees are inadequate to maintain Minnesota’s exceptional outdoor recreation system.

- Fees are falling short. Many of the Natural Resources (NR) fund dedicated accounts that support Minnesota’s outdoor recreation system will go into deficit unless we take action.
  - The snowmobile and water recreation accounts are projected to go into deficit during FY18-19. The all-terrain vehicle (ATV) and cross-country ski accounts are also in decline and projected for deficit in FY20-21. And, the state park account is under continued pressure from increased park visitation.
  - Over the past decade, the outdoor recreation system has grown and use has increased. Most of the dedicated accounts have not had fee increases for 10-14 years, and have had to absorb the cost of this new growth and inflation, causing shortages in recent years.
- These user fees provide the base for Minnesota’s outstanding outdoor recreation system, tourism industry, and millions of outdoor recreation enthusiasts. This system must remain healthy.
  - State parks and trails are major contributors to the state’s $13.6 billion tourism industry, representing 31 of the top 40 attractions in Greater Minnesota’s four tourism regions. The local economic value from state park visitors alone is nearly $230 million annually.
  - Outdoor recreation enthusiasts enjoy excellent opportunities throughout Minnesota, including 23,800 miles of snowmobile, off-highway vehicle (OHV), and cross-country ski grant-in-aid (GIA) trails; 35 state water trails; 1,700 public water access sites and 368 fishing piers; and 75 state parks and recreation areas.
  - Outdoor recreation is more popular than ever: camping and day use at state parks are up 13-15% since last year; ATV registrations are up 8%.

What has Minnesota tried? What has worked, and what hasn’t?

We have made strategic reductions and created operational efficiencies throughout the outdoor recreation system.

- We have already made the following changes:
  - Made reductions in GIA snowmobile grants and limited grooming on state trails.
  - Reduced winter grooming for cross-country skiing.
  - Discontinued acquisition of new public water accesses.
  - Decreased staff hours at parks and reduced parks and trails maintenance.
- While these activities have prevented the dedicated accounts from going “into the red” in recent years, we have heard increasing complaints from outdoor recreation enthusiasts that have experienced impacts to the services they value.
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What do we propose?

We propose modest increases for some user fees.

- We discussed fee increases with stakeholder groups and the trade-offs related to the dedicated accounts. They understand that we either need to increase fees or reduce services. Reducing services is not appealing to most.
- We compare well with other states. For example, on an annual basis Minnesota’s snowmobile registration is currently $25/year, while Wisconsin’s is $40/year and Michigan’s is $55/year. Even with a fee increase, Minnesota would still cost less than other comparable states.

<table>
<thead>
<tr>
<th>Natural Resources Fund</th>
<th>Previous Fee Increase</th>
<th>Proposed Annual Fee Increase</th>
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</thead>
<tbody>
<tr>
<td>State Park Account</td>
<td>2003</td>
<td>$1/daily; $5/annual</td>
</tr>
<tr>
<td>Water Recreation Account</td>
<td>2006</td>
<td>$1-15/craft, depending on size</td>
</tr>
<tr>
<td>Cross-Country Ski Account</td>
<td>2010</td>
<td>$2/daily; $5/annual</td>
</tr>
<tr>
<td>Snowmobile Account</td>
<td>2005</td>
<td>$10/year</td>
</tr>
<tr>
<td>ATV Account</td>
<td>2007</td>
<td>$5/year</td>
</tr>
</tbody>
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What positive impact do we believe this will have?

Modest fee increases will allow us to deliver critical services for the state’s outdoor recreation system. For example:

- Snowmobile fees will help fund GIA grants that have been held back in recent years, as well as provide grooming on key state trails.
- ATV fees will continue to fund GIA grants, with new trail projects, and will also help adequately maintain DNR-managed trails.
- Cross-country ski fees will cover costs for trail grooming and provide funds for GIA trails.
- Water recreation fees will maintain boat safety and enforcement, and provide aquatic plant management, boat launching facilities and state water trails.
- State parks fees will deliver basic services for park visitors.

If the legislature doesn’t adopt this proposal, what alternate approaches has DNR considered?

Without increased revenue, we will need to reduce services to prevent the accounts from going into deficit.

- Reduce GIA snowmobile and ATV grants to local clubs and local sponsors.
- Reduce grooming of snowmobile and cross-country skiing trails.
- Limit maintenance of public water access sites and water trails.
- Conduct fewer enforcement and aquatic management activities.
- Make service reductions in day-to-day services at state parks, recreation areas, and state waysides.