

FY18 Snowmobile GIA Program Funding Update

The snowmobile account is funded from two primary sources: state gas tax revenue from snowmobile use, which is about \$7.2 million/year; and snowmobile registration fees (ranging from \$3.8 to \$7 million/year). Snowmobile registration revenue goes up or down depending on the following:

- Weather variability, such as good/bad snow years
- The number of snowmobile registrations up for renewal, which are impacted by the 3-year cycle (e.g., some years there are more snowmobiles up for renewal than other years)
- The overall number of snowmobiles registered, which has declined over the last 10 years from a high of 277,000 sleds in 2006 to 196,000 sleds in 2016.

This variability in revenue has brought an element of unpredictability to the fund balance in the snowmobile account. During years when the revenue is low and the account balance is in danger of going “in the red,” budget adjustments are necessary. By state law, the snowmobile account cannot go below zero.

Fee Increase Stabilizes Account and Prevents 20% Funding Reduction

Starting July 1, 2017 snowmobile fees increased for the 3-year registration (\$105) and out-of-state trail pass (\$50). This fee increase helped to stabilize the snowmobile account against projected deficits and allowed GIA funding to avoid a nearly 20% reduction to all grants.

The increased fees are expected to bring in about \$1.5 million in additional funds in FY18 and \$2 million in FY19. In the 3-year registration cycle, FY18 is a low year for renewals, and without the increases the snowmobile account would have significantly gone in the red.

Snowmobile Account Base Funding Levels Stay Steady in FY18

Base grants will remain the same in FY18 as they were in FY17. The 4th benchmark reduction last year ensured that the account balance stayed above zero in FY17 and the increased fees helped to avoid a significant funding reduction in FY18. However, there still is the unpredictability of the upcoming winter. In the event that there is less revenue than projected, the 3rd and/or 4th benchmarks may not be paid. Clubs should make sure to budget for this possibility. Think snow!

Good News! General Fund Supplement means 1.7% Increase in FY18

A one-year general fund supplement of \$130,000 to the GIA Program was approved during the 2017 legislative session. This supplement is being allocated equally across all GIA grants as a 1.7% funding increase above their base grants. Clubs can find the amount of their base grants and this funding supplement in the GIA grant spreadsheet on the GIA webpage or by contacting their area supervisor.