

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
53rd LEGISLATURE - SPECIAL SESSION**

**COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By **REP. TOM ZOOK, CHAIRMAN**, on December 17, 1993,  
at 2:45 P.M.

**ROLL CALL**

**Members Present:**

Rep. Tom Zook, Chairman (R)  
Rep. Ed Grady, Vice Chairman (R)  
Rep. Francis Bardanouve (D)  
Rep. Ernest Bergsagel (R)  
Rep. John Cobb (R)  
Rep. Roger DeBruyker (R)  
Rep. Marj Fisher (R)  
Rep. John Johnson (D)  
Rep. Royal Johnson (R)  
Rep. Mike Kadas (D)  
Rep. Betty Lou Kasten (R)  
Rep. Red Menahan (D)  
Rep. Linda Nelson (D)  
Rep. Ray Peck (D)  
Rep. Mary Lou Peterson (R)  
Rep. Joe Quilici (D)  
Rep. Bill Wiseman (R)

**Members Excused:** Rep. Dave Wanzenried

**Members Absent:** None

**Staff Present:** Clayton Schenck, Legislative Fiscal Analyst  
Alberta Strachan, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

**EXECUTIVE ACTION ON SB 43**

**Motion:** **REP. KADAS MOVED THAT THE AMENDMENT DO PASS.**

**Discussion:** **REP. BERGSAGEL** said that the amendment gives  
\$244,000 every year: 1994, 1995, 1996 and 1997. An amendment  
will be placed in HB 2 if SB 43 does not pass; the snowmobilers  
will receive \$411,692 and in '95 they will receive \$250,000. If  
SB 43 passes, all encumbered funds will be reverted into the

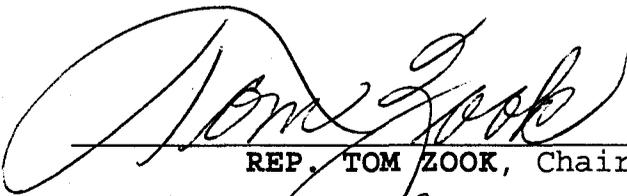
Department of Transportation for federal match.

Vote: A roll call vote was taken. Motion carried 13-4 with REPS. COBB, DeBRUYCKER, FISHER and WISEMAN voting no.

MOTION/VOTE; REP. KADAS MADE A MOTION THAT SB 43 BE CONCURRED IN AS AMENDED. Motion carried 13=4 with REP. COBB, DeBRUYCKER, FISHER and WISEMAN voting no.

ADJOURNMENT

Adjournment: 3:30 P.M.

  
\_\_\_\_\_  
REP. TOM ZOOK, Chairman

  
\_\_\_\_\_  
ALBERTA STRACHAN, Secretary

TZ/as

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

12/17/93

NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, VICE CHAIRMAN	✓		
REP. FRANCIS BARDANOUE	✓		
REP. ERNEST BERGSAGEL	✓		
REP. JOHN COBB		✓	
REP. ROGER DE BRUYCKER		✓	
REP. MARJORIE FISHER		✓	
REP. JOHN JOHNSON	✓		
REP. ROYAL JOHNSON	✓		
REP. MIKE KADAS	✓		
REP. BETTY LOU KASTEN	✓		
REP. WM. "RED" MENAHAN	✓		
REP. LINDA NELSON	✓		
REP. RAY PECK	✓		
REP. MARY LOU PETERSON	✓		
REP. JOE QUILICI	✓		
REP. DAVE WANZENRIED			
REP. BILL WISEMAN		✓	
REP. TOM ZOOK, CHAIRMAN	✓		

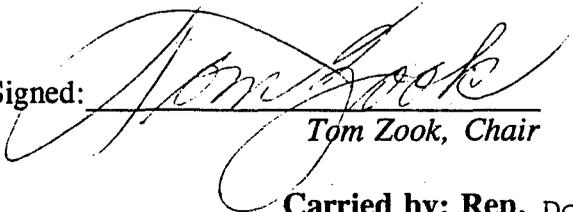


## HOUSE STANDING COMMITTEE REPORT

December 17, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that Senate Bill No. 43 (third reading copy -- blue) be concurred in as amended.

Signed:   
Tom Zook, Chair

And, that such amendments read:

Carried by: Rep. Dowe

1. Title, line 7.  
Strike: "1/4"  
Insert: "23/64"
2. Page 2, line 2.  
Strike: "1/4"  
Insert: "23/64"
3. Page 3, line 16.  
Strike: "1/4"  
Insert: "23/64"

-END-

Committee Vote:  
Yes 13, No 4.

171502SC.Hsf

*Handwritten notes:*  
12/17/93  
3:28

## **Downsizing the Snowmobile Program HB 2 Amendment and SB 43**

**The DFW&P Snowmobile Program should be appropriately downsized to fit the needs of Montana's stable snowmobile population for these reasons:**

> Program was established using inflated snowmobile estimate of 30,000 machines in 1977 - Resulting statutory diversion of 1/2 of 1% is out of proportion to actual gas used and gas tax dollars paid by snowmobilers on public lands. Current number of snowmobiles registered is 13,311 - must be registered to ride on public lands

> Revenues have grown from \$199,000 to \$528,000 because of increases in gas tax from 9 cents a gallon in 1977 to 27 cents a gallon in 1994

> Program is being subsidized by the general public statewide to the benefit of western Montana exclusively. Should use gas tax dollars to maintain roads statewide.

> Estimated 1,600 rental machines that apply for and receive about \$20,000 per year in direct bulk distribution gas tax refunds - classic "double-dipping"

> Using gas tax rebate for rental machines (\$12.50/machine/yr) x 12,000 machines in private use equals \$150,000 not \$528,000 they will receive in 1994!

> Fish, Wildlife & Parks administrative costs have continuously increased with projected 26 percent administrative costs in 1994 (Lottery admin cost is 15%)

> 1 of every 4 diverted gas tax dollars will go to administrative costs!

> Gas tax dollars are leveraged against federal dollars at the rate of 87 to 13 for primary highway construction

> Gas tax dollars are needed for state-funded secondary road system

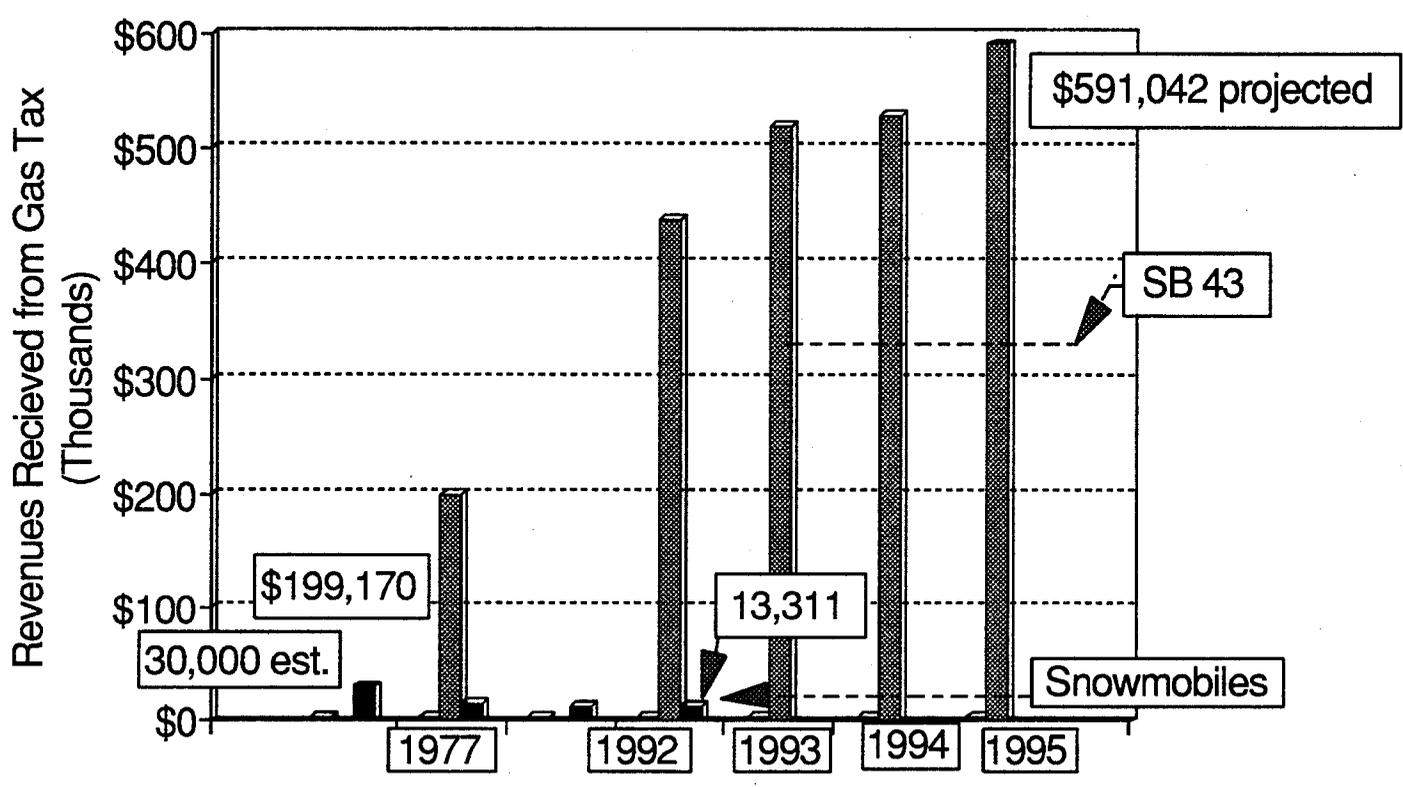
> Gas tax dollars provide highway construction jobs & statewide economic benefits

> Department of Transportation projects a 1997 deficit of \$7.5 million

> Most snowmobile activity in state occurs in W. Yellowstone area - primary attraction is Yellowstone Park, which is groomed by Feds

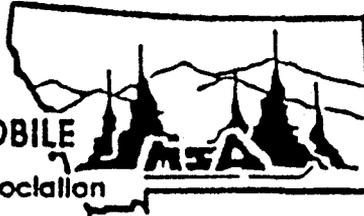
**QUESTIONS? Contact: Sen. Fritz, Russ Ritter, George Ochenski, or Carl Schweitzer for more details**

# Revenue & Snowmobile Comparison



Montana

SNOWMOBILE  
Association



House  
Appropriations Committee

Points to consider when voting on S.B. 43

- Snowmobile gas tax money is a legitimate refund of State gas tax paid on gasoline used off-road (trails and private land) by snowmobilers. Other users do not contribute.
- Snowmobile gas tax money IS a refund NOT a diversion.
- The "4¢ plus 3¢" increase is not a "windfall". but simply the refund of additional tax paid on gasoline used off-road.
- Money received by this program is an investment that returns approximately 8 to 1 in tourism dollars
- The legislature has determined that the amount of fuel consumed by snowmobiles equals 1/2 of 1 % of the total gas tax paid.
- Since the Legislature chose to exempt, from registration, those snowmobiles used on private land, 13,300 + snowmobiles(registered) cannot be used as the only figure for considering the basis for a refund. We must include those snowmobiles used on private land.
- There is no indication that the number of snowmobiles in Montana has decreased from the 30,000 + in 1979. All indications suggest just the opposite even without factoring the tourist.
- Factual figures will be available prior to the 1995 session from an Economic Impact Study underway by the Bureau of Economic and Business Research at the University of Montana.
- We urge you to vote no or table S.B. 43, and if you so desire, address the issue at the next session when our study is available.

Submitted by the Legislative Committee of the Montana Snowmobile Association.

Ken Hoovestol, Chairman

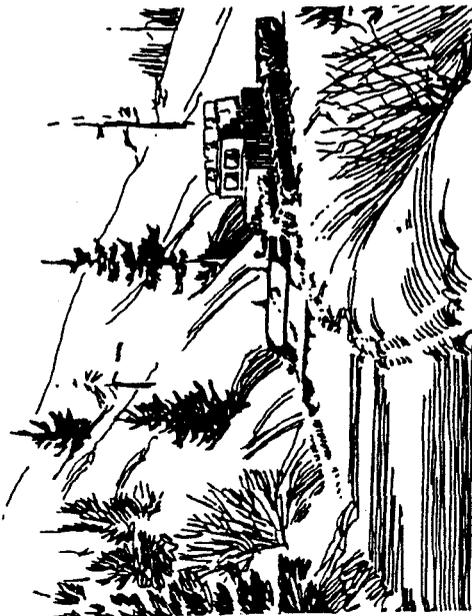
# GROOMED TRAIL LOCATIONS

WHAT IS IT?  
 Montana's Snowmobile Program is aimed at providing and maintaining facilities for Montana's snowmobiling public. Promoting snowmobile safety and education are other goals of the program.

## HISTORY

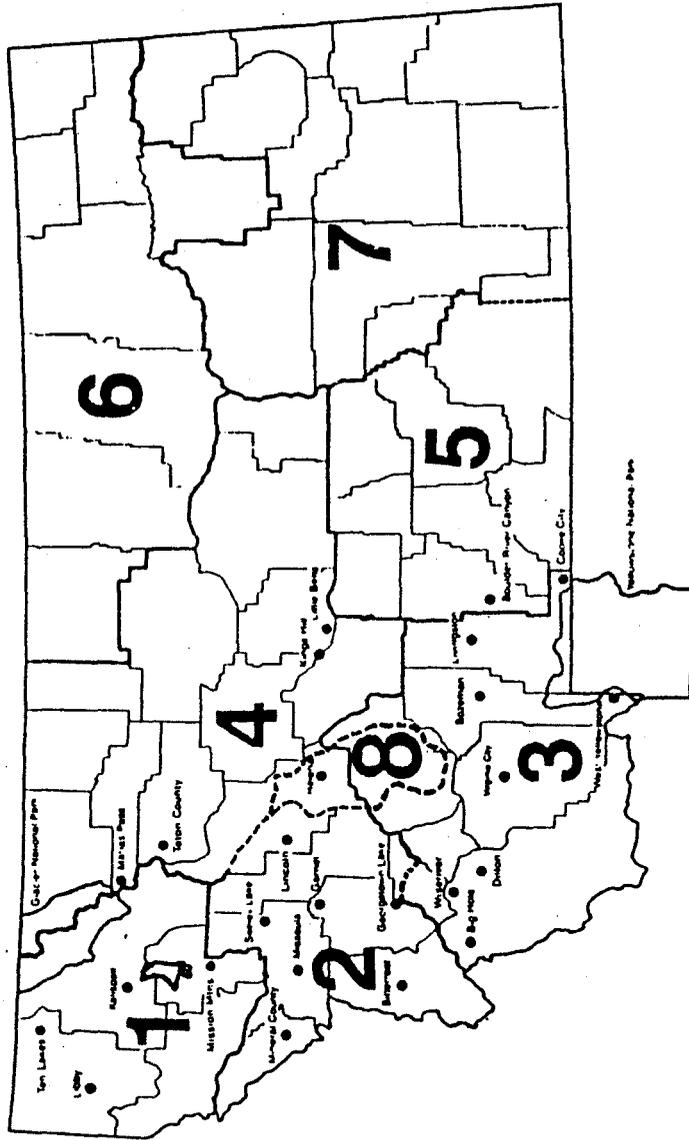
In 1977, two laws were passed which greatly enhanced Montana's Snowmobile Program. First, existing legislation was amended and expanded to permit use of snowmobile decal fees for snowmobile facility development, operation, maintenance and enforcement.

Second, the Legislature set aside three-tenths of one percent of Montana's "distributors' gasoline tax" for development, operation and maintenance of public snowmobile facilities and for promoting snowmobile safety and education. In 1979, the percentage of the state's gasoline tax set aside was increased to five-tenths of one percent.



## WHAT CAN IT DO?

Examples of eligible operation and maintenance projects are trail grooming and plowing of roads and parking areas. Eligible development projects include clearing and marking trails and construction of



## WHAT IS IT DOING?

Over 3,200 miles of trails are now being groomed annually. The accompanying map shows the location of grooming undertaken each winter. Additionally, roads and parking areas are being maintained each winter to allow use by the snowmobiling public. Specific information as to the whereabouts of trails and parking areas can be obtained from local snowmobile clubs and snowmobile dealers or from the Montana Snowmobile Guide available at all Fish, Wildlife and Parks offices.

snowmobile unloading areas with parking, shelters and sanitary facilities.

Funds earmarked for safety and education can be used for snowmobile safety instruction, the purchase of warning signs for groomed snowmobile trails, production of maps detailing trail systems, and publications discussing laws, safety tips and safety equipment.

## FUNDING

Approximately \$440,000 will be available annually. Of this, about \$380,000 will be available for operation, maintenance and development and approximately \$60,000 will be available for enforcement, safety and education.

SNOWMOBILE PROGRAM

Questions from Senate Finance and Claims Hearing on SB 43.

1. When was the last study conducted on the % of gasoline used by snowmobiles?

ANSWER - 1977. A new study by University of Montana will be completed in 1994. This study will help determine if the amount allocated to the program is proportional to use.

2. How many snowmobilers are there who benefit from these funds?

ANSWER - The study above will help answer this question, but there are many more users who buy gas than the 13,000 who are registered. These include private landowners who are not required to register (when they were, there were 30,000 machines registered) and non-resident users. Although resident use may be somewhat stable, non-resident use is continuing to increase and groomed trails provide this draw to these users.

3. Why are projected costs of program "administration" scheduled to increase from 22% to 26% when alternative 3 in the Snowmobile EIS is implemented?

The following is an explanation of these costs:

- A. Overhead - This is a base rate charged to all state special revenue accounts and is currently 10.6%. This rate was formerly higher (about 16%) because some accounts in FWP were not accessed overhead. With the help of the legislature this was changed last year thus lowering the rate for this and other accounts. Overhead covers indirect costs such as accounting, expenditure claims, legal services, or anything that cannot be directly assessed to a project.
- B. Administration - The current snowmobile programs has 11.5% costs in this category. The term "administration" is misleading. These charges are all costs to operate and manage the program minus actual grooming costs. These include program safety, efforts of regional park personnel to work with local clubs, statewide coordination and project selection, etc. The costs associated with the snowmobile program, as a percentage, are in balance with other Department and state programs.
- C. Raise from 22% to 26% -
- This raise is temporary for three years only in order to implement the new Programmatic EIS which environmental groups strongly pressured FWP to complete. This EIS requires that all 3,634 miles of groomed trails go through comprehensive environmental assessment during the next three years.
  - This raise assumed current level funding and calculations were not based on additional revenue provided by the general fuel tax increase.

- There is a fixed dollar amount needed to do the EIS work, therefore if the fuel tax increase is allowed to go into the program, the actual rate for program management would be less than 26%. However, if SB 43 is passed, the rate would be greater unless the Department totally eliminates several miles of trails from the system.

4. Have any of the funds for this program already been contracted for FY94?

ANSWER - Yes. The Department of FWP has already signed legal contracts for almost all grooming funds for this year and new groomers have been delivered. SB 43 would put the state in the position of having to break these contracts which would make the State liable for legal action.

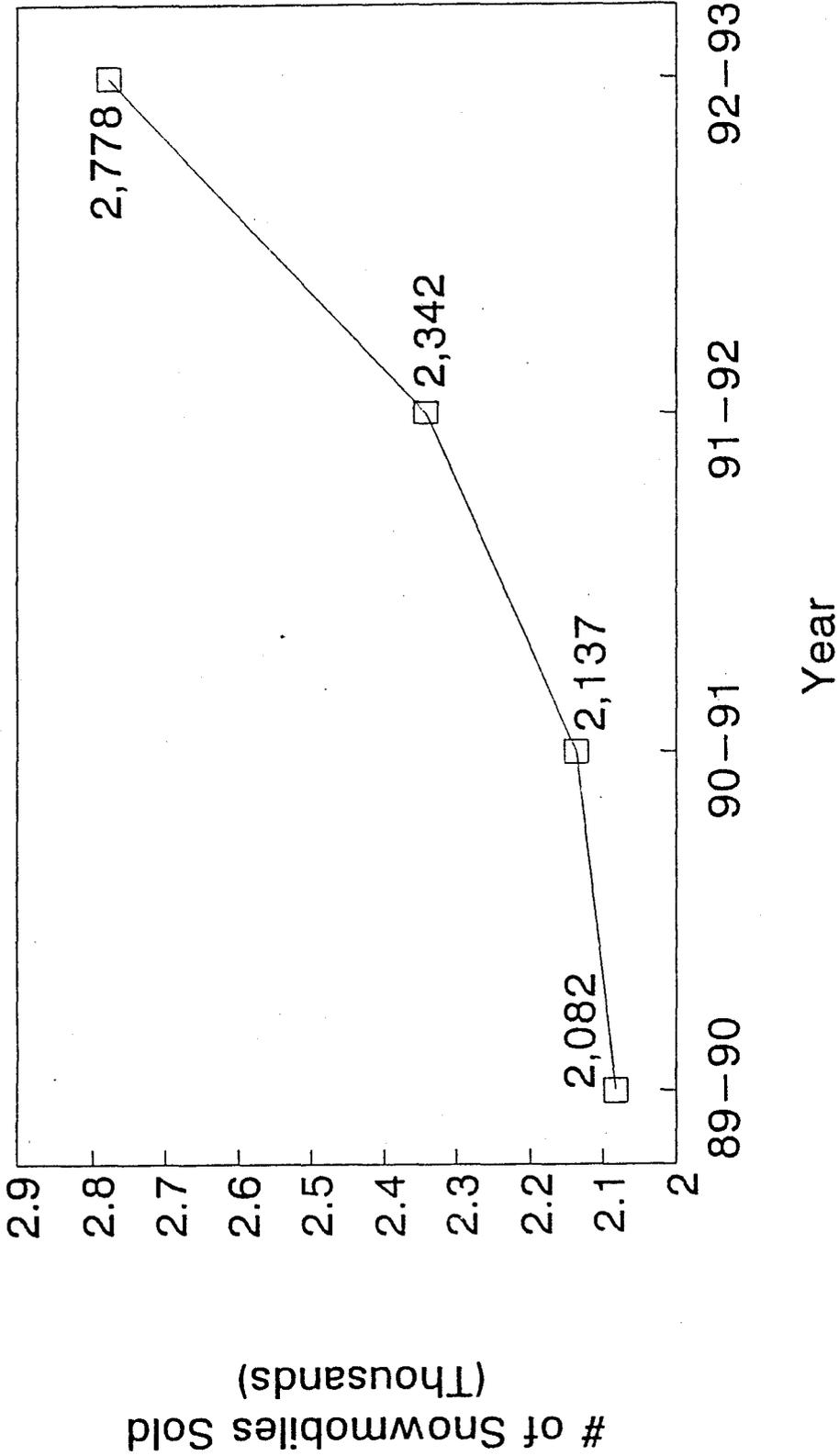
5. What would be the impacts of to the program if SB 43 is passed?

ANSWER

- A. A severe reduction in miles of trails groomed.
  - B. Loss of recreational opportunity for many Montana families.
  - C. Loss of winter access to USFS and BLM lands.
  - D. A decline in trail safety and an increase in likely trail accidents.
  - E. Less signage on trails to warn of hazards and to protect the environment.
  - F. A decrease in private volunteer contributions and donations.
  - G. A loss of economic development dollars for many Montana communities and a decline in non-resident dollars infused into Montana in the winter season.
  - H. A decrease in the purchase of gasoline for snowmobile and the vehicles that tow them therefore a decline in gas tax revenue for Montana roads.
6. In view of the recent trends to re-invent government are there other options to manage this program or reduce state government costs?

ANSWER - This program could be privatized and turned over directly to the Montana Snowmobile Association. This has been offered to MSA in the past when complaints of management costs have arisen. However, MSA has rejected these offers because their analysis has shown they themselves cannot administer the program at a lower cost than FWP, and in fact, it would likely cost them more. They also appreciate the services they are now receiving.

# INCREASING TREND OF NEW SNOWMOBILE SALES IN MONTANA\*



1. Three year increase of 25% in sales to Montana residents.
2. Montana does not require all snowmobiles to be registered, therefore, registrations cannot be used to measure use trends.
3. Figures do not include sales of used machines.
4. Total sales in the western region (South Dakota & west) increased from 18,182 in 89/90 to 24,248 in 92/93.

\* Figures from International Snowmobile Association, Fairfax, Virginia (personal communication - Roy Muth, President).

## SNOWMOBILE PROGRAM

### FY 94 FUNDS ALREADY COMMITTED

<u>Groomer Purchased and Delivered</u>	\$85,221
<u>Pre-Payment to Snowmobile Clubs</u> (see attached summary)	\$171,500
<u>Under contract with clubs but not yet paid</u>	\$57,128
<u>Fixed Costs</u>	\$97,843
Safety program	
Regional implementation	
Volunteer coordination	
Statewide program management	_____
TOTAL BUDGET	\$411,692

### Summary

Virtually all grooming funds have been committed for FY94 but \$57,128 has yet to be paid to the clubs.

EXHIBIT 2  
12-17-93  
SB 43

## SNOWMOBILE GROOMING GRANTS, FY 1994

SPONSOR	LOCATION	TOTAL GRANT	PREPAYMENT TO CLUBS	BALANCE UNDER CONTRACT BUT NOT YET PAID
Flathead Snowmobile Assn	Kalispell	13,776	10,400	3,376
Lincoln Co. Snowmobile Assn	Libby	2,911	2,200	711
Ten Lakes Snowmobile Club	Eureka	1,940	1,500	440
Missoula Snowgoers	Missoula	10,672	8,000	2,672
Anaconda Snowmobile Club	Anaconda	6,791	5,100	1,691
Seeley Lake Driftriders	Seeley Lake	9,895	7,400	2,495
Bitterroot Ridge Runners	Hamilton	4,500	3,400	1,100
Ponderosa Snow Warriors	Lincoln	13,570	10,200	3,370
Garnet Resource Area BLM	Missoula	3,880	2,900	980
Montana Nightriders Snow Club	Thompson Falls	4,268	3,200	1,068
Deer Lodge Snowmobile Club	Deer Lodge	1,892	1,400	492
Big Sky Snowriders	Livingston	3,105	2,400	705
Jack Pine Savages	Wise River	2,328	1,800	528
Outback Snowmobile Club	Ennis	1,500	1,100	400
Gallatin Valley Snowmobile Assn	Bozeman	16,492	12,400	4,092
Madison Valley Snow Snakes	Ennis	1,892	1,400	492
W Yellowstone Chamber of Commerce	W. Yellowstone	38,805	29,100	9,705
Beaverhead Sno-Riders	Dillon	9,701	7,300	2,401
Upper Yellowstone Snowmobile Club	Cooke City	21,343	16,000	5,343
Big Hole Snowmobile Club	Wisdom	2,911	2,200	711
Vigilante Snowmobile Club	Virginia City	7,761	5,800	1,961
Cut Bank Snowgoers	Cut Bank	10,260	7,700	2,560
Great Falls Snowmobilers, Inc.	Gt Falls	14,067	10,600	3,467
Little Belt Snowmobile Club	Hobson	7,761	5,800	1,961
Teton Co Sportsmen Snowmobile Assn	Choteau	485	400	85
Sweetgrass County Recreation Assn	Big Timber	1,940	1,500	440
Midland Empire Snowgoers	Billings	2,500	1,900	600
Helena Snowdrifters	Helena	<u>11,682</u>	<u>8,400</u>	<u>3,282</u>
<b>TOTALS</b>		<b>228,628</b>	<b>171,500</b>	<b>57,128</b>

Testimony

Senate Bill #43

before

the House Appropriations

Committee

Room 312-2, The Capitol

12/17/93

Mr. Chairman , members of the Committee, for the record, my name is John Semple, past president of the Helena Snowdrifters snowmobile club. The club has asked me to convey their opposition to this bill and have included several points;

1. Our trails program/grooming is funded by a refund of a portion of the state gas tax, if we use our sleds more we use more fuel. This activity is OFF ROAD! Snowmobilers are in essence funding ourselves.

2. Our grooming budget, which is submitted yearly to an advisory board and the Department of Fish, Wildlife, and Parks, has historically been underfunded. We have for the past several years asked for just under \$20,000.00 and have consistently received less than half. There is just not enough money to provide adequate operating monies for all the requests.

3. The Helena club has for the past two legislative sessions hosted, with the generous help of our state association (MSA), a snowmobile ride for interested legislators. During the course of preparing the trails for both of these rides our groomer suffered major breakdowns. The cost for repairs exceeded \$9000.00 dollars.

4. During this years advisory board meeting ten clubs competed or asked for new groomers. Through a bid system we were fortunate to aquire one of two that were bought with snowmobile gas tax money, not all gas tax money. Incidentally, our groomer cost only \$95,000.00. If we had the money in the state snowmobile program to buy all ten new groomers, we would need at least \$950,000.00, plus the separate operating budgets!!!

In closing, our club members would like you, the committee, to know we understand the burdens you must face. But, please consider that we are not funded by the general budget, only ourselves. Do not miss the silent fact that we do not even ask for but only our own money. Please do not reduce us in the name of everyone cutback. We have been snowmobiling in our own cutbacks for years.

We urge you, the committee, to vote NO on Senate bill 43.

Thank you for your time.

The Helena Snowdrifters

By John Semple

EXHIBIT 4  
DATE 12-17-93  
SB 43

Mr. Chairman & Members of the Committee:

I am Alan Brown. I am president of the Missoula Snowgoers Snowmobile club in Missoula. I have been president of the organization for 4 years. I am responsible for, under the direction of the Fish Wildlife and Parks division for grooming 498 miles of snowmobile trails in the immediate Missoula area.

I am also the district representative for the Montana Snowmobile Association representing district #3 which encompasses Missoula, Mineral, Ravalli and a portion of Powell county. The five active clubs in my area are responsible for grooming 960 miles of snowmobile trails. In addition in my area at Lolo Pass I groom 20 miles of shared use trails for cross country skiers

I would like to address the affect that Senate Bill 43 would have on our area.

In the four years that I have been president I have seen a tremendous growth in the sport in our area. There are currently five active snowmobile clubs in my area. They have 761 family memberships. This number translates into over 2500 members.

Each of these clubs have seen the trail usage in their area grow by geometric proportions over the last several years. Actual trail counts from counters placed on our trails last year showed 34,379 snowmobile days during the season. This number is more

than double the count when I became president 4 years ago. You must also remember that these trail counters do not cover all of the groomed trails which operate within the system in my area of the State. In fact they cover only about 1/2 of the trails.

With the usage that the trails currently receive it is difficult to adequately maintain the trails. If you elect to cut our funding it will become impossible. You might wonder so what. Maybe it just means less recreation for snowmobilers of the state. In tight economic times everyone has to make a sacrifice. Unfortunately it is not just the state residents who will suffer if you cut our funding, instead you are damaging one of our primary industries, tourism, when you cut our funding. I would like to tell you a little about the efforts in our area to promote this tourism in our area. The Missoula Chamber of Commerce sponsored a FAM trip last year for writers for snowmobile magazines and midwest newspapers. The Chamber is promoting Missoula as the snowmobiling capital of Western Montana. What is the result? I am familiar with two motels in the Missoula area and one snowmobile rental business. I will use these as examples, If time permitted I could go on and on about similar situations in Seeley Lake, Hamilton and Missoula. The two motels are the Holiday Inn and Lolo Hot Springs. The Holiday Inn has confirmed reservations for an average of 25 rooms for out of state people each week from now till the end of March. Lolo Hot springs has 32 motel units and they are currently 85% full for the same period with people from out of State. These

people are the kind of tourists that the State should be attracting. When people fly in and rent snowmobiles at \$100.00 per day they are the same type of tourists that spend a lot of money in the State. A member of my snowmobile club has a snowmobile rental business. He rents 35 sleds in out of Missoula. Already these sleds are 90% booked for the season. 90 % of the bookings are from out of state people.

Why are these people coming to Missoula? The answer is simple uncrowded trails, the mountains, and excellent snow conditions. What do they expect? They expect groomed trails and an enjoyable experience. They get this when we can groom our snowmobile trails. If you cut our funding the trails will not be adequately groomed, they will be rough and difficult to ride and the tourists will not return. If we are going to compete with Minnesota, and the Black Hills in South Dakota we must provide a quality snowmobiling experience. With a cut in grooming funds we won't be able to provide this experience and our burgeoning winter tourist industry, that Missoula has worked so hard to promote will die, because if we don't provide a quality experience, the tourists will not return. Every day I get at least one inquiry from an out of State person about our area. Last week I got a call from a group of 30 people from Ontario Canada. they are all coming to Missoula in February of this year for a week and staying at the four B's Inn in Missoula. They told me that they are coming because they have heard about our trail system from friends who came here last year. If I don't

have the funding to groom my trail system they will not be back.

The Silver Dollar Restaurant and Motel, in Deborgia runs a poker run each year. They have over 500 entries from Spokane and Courdalene each year. Additionally the Superior, Deborgia, & Haugen area have in the neighborhood of 100 out of state snowmobilers from Idaho and Washington snowmobile in their area each weekend throughout the season. They come to spend money and enjoy our groomed and uncrowded trails.

What you should be doing is increasing our funding to enable us to continue to promote this growing clean industry for our State, not cutting our funding.

I urge you to kill this bill and at least restore our funding to its present level. Thank you.

EXHIBIT 5  
DATE 12-17-93  
SB 43

SB 43  
December 17, 1993

Testimony presented by Director Patrick Graham  
Dept. of Fish, Wildlife & Parks  
Before the House Appropriations Committee

The snowmobile program was established by the Legislature in 1977 and funded with gas tax rebates for the purpose of providing a statewide program to develop, operate and maintain a groomed trail system and to promote user safety. Surveys at the time indicated that the amount of total fuel purchased by snowmobilers was at least one-half of one percent of the total. Since this fuel is purchased at the gas pumps but not burned on the state highway system, users are provided a collective refund for purposes which enhance snowmobiling opportunities.

If SB 43 is passed, local organizations would have half the funding that would otherwise be available as a result of higher fuel taxes. This would obviously result in a decrease in currently groomed trails on public land. Trail riding conditions would be less safe. There are also many miles of ungroomed trails on federal land which are only accessible as a result of our grooming program.

The first attachment indicates the 28 local organizations directly impacted, user demand and the amount of volunteer contributions and donations raised annually to supplement this program which saves state costs and FTEs.

The second attachment addresses the department's costs for this pass through grant program. In summary, the department charges a 10.6 percent overhead rate to earmarked state special revenue accounts. A higher rate is charged to federal accounts.

In addition, we charge any time spent by parks personnel working on with local clubs, safety programs, environmental compliance, grant selection and other tasks associated with state oversight.

We estimated our costs would go up over the next three years as a result of environmental assessments done on all trails to comply with our Programmatic EIS. This EIS was just completed and established standards and criteria for trails which we would grant grooming money. It also specifies mitigative measure. Both our staff and the clubs would have to spend considerable time.

The 26 percent identified in the EIS was based on current level, not in a new gas tax revenue. If new revenue is added, the percent would go down. If revenue is cut, as was done in HB2, the percent would go up.

The third attachment shows the impact of Senate amendments to HB2. They cut the current program by 40 percent. Unfortunately, as the

handout indicates, the money for FY94 has already been allocated. We would have to transfer FY95 funds into FY94, and there will be essentially no grooming program for FY95.

Under this bill the current level program would be reduced by over 20-25 percent depending on whose numbers you use. In addition snowmobilers will be denied access to the rebate generated from higher gas taxes.

All this occurs at a time when the department and clubs are striving for a more environmentally and socially sensitive program. Completion of the EIS, plans for environmental assessments in all existing trails, and addition of an environmentalist to the Snowmobile Advisory Board.

12-11-93  
SB 43

# 93-94 Snowmobile Grant Recipients

Sponsor	Location	Miles of Groomed Trails	'92-'93* # of Users	Trail		Club's Private Contribution	Approved '93-'94***
				Grooming \$ Requested '93-'94	Groomer/ Replace/Maint. \$ Requested**		
Flathead Snowmobile Assn	Kalispell	210	15,500	\$35,000.00		\$19,130.00	\$13,776.00
Lincoln County Sno - Kats	Libby	150	488	\$4,320.00	\$90,000	\$1,409.00	\$2,911.00
Ten Lakes Snowmobile Club Inc.	Fortine	41	4,852	\$1,455.00	\$3,500	\$9,306.00	\$1,940.00
Anaconda Snowmobile Club	Anaconda	106	3,097	\$11,500.00	\$90,400	\$3,500.00	\$6,791.00
Seeley Lake Drift Riders	Seeley Lake	218	12,759	\$14,700.00		\$1,825.00	\$9,895.00
Bitterroot Ridge Runners	Hamilton	157	2,000	\$14,000.00		\$9,580.00	\$4,500.00
Ponderosa Snow Warriors	Lincoln	220	12,683	\$24,000.00	\$7,000	\$7,893.00	\$13,570.00
Garnet Preserv Assn & BLM	Drummond	110	2,500	\$16,237.15	\$15,000	\$31,429.60	\$3,880.00
Montana Nightriders Snowmobile Club	Plains	76	5,200	\$6,000.00		\$1,434.00	\$4,268.00
Missoula Snowgoers	Missoula	398	2,910	\$26,140.00	\$90,000	\$18,000.00	\$10,672.00
Deer Lodge Snowmobile Club	Deer Lodge	69	1,200	\$4,567.00		\$1,250.00	\$1,892.00
Big Sky Snowriders	Livingston	97	898	\$5,062.00	\$90,000	\$2,000.00	\$3,105.00
Wise River Jackpine Savages	Wise River	90	600	\$2,337.00	\$90,000	\$2,000.00	\$2,328.00
West Yellowstone Chamber	W. Yellowstone	207	81,500	\$60,000.00	\$90,000	\$20,000.00	\$38,805.00
Beaverhead Sno - Riders	Dillon	185	7,295	\$14,522.00	\$90,000	\$7,736.00	\$94,922.00
Upper Yellowstone Snowmobile	Cooke City	60	25,074	\$25,300.00		\$5,628.66	\$21,343.00
Vigilante Snowmobilers	Virginia City	97	2,295	\$11,800.00		\$5,750.00	\$7,761.00
Madison Valley Snow - Snakes	Ennis	35	5,000	\$2,084.00		\$1,041.00	\$1,892.00
Big Hole Snowmobile Club	Wisdom	86	1,513	\$6,100.00	\$90,000	\$5,600.00	\$2,911.00
Outback & Beyond Trail Club	Ennis	75	6,500	\$11,067.00		\$6,246.00	\$1,500.00
Gallatin Valley Snowmobile Assoc.	Bozeman	350	3,053	\$26,000.00		\$21,000.00	\$16,492.00
Cut Bank Snowgoers	Cut Bank	45	5,335	\$13,256.00		\$3,136.00	\$10,260.00
Little Belt Snowmobile Club	Lewistown	86	5,560	\$8,994.00	\$90,000	\$5,855.00	\$7,761.00
Teton County Sportsmen	Choteau	6	250	\$500.00		\$150.00	\$485.00
Great Falls Snowmobile Club	Great Falls & WSS	175	20,277	\$15,550.00		\$5,500.00	\$14,067.00
Sweet Grass County Recreation Assoc.	Big Timber	34	534	\$2,150.00	\$90,000	\$2,700.00	\$1,940.00
Midland Empire Snowgoers	Billings	6	900	\$2,500.00		\$2,450.00	\$2,500.00
Helena Snowdrifters	Helena	245	38,107	\$18,500.00	\$90,000	\$3,383.00	\$11,157.00
<b>Totals</b>		<b>3,634</b>	<b>252,380</b>	<b>\$370,385.15</b>	<b>\$1,015,900.00</b>	<b>\$204,932.26</b>	<b>\$313,324.00</b>

\*Based on representative trail use counts done by snowmobile clubs for one winter.

\*\*Average groomer replacement cost is \$90,000. \$15,000 requested by Garnet Club to purchase 2 snowmobiles (\$7,500 each) for enforcement purposes.

\*\*\*Other annual program expenses besides groomer repair and replacement include Safety - \$40,000; Regional Assistance - \$40,357; Overhead - \$45,151; Program Oversight - \$17,406.

SNOWMOBILE PROGRAM

Why are projected costs of program "administration" scheduled to increase from 22% to 26% when alternative 3 in the Snowmobile EIS is implemented?

The following is an explanation of these costs:

- A. Overhead - This is a base rate charged to all state special revenue accounts and is currently 10.6%. This rate was formerly higher (about 16%) because some accounts in FWP were not accessed overhead. With the help of the legislature this was changed last year thus lowering the rate for this and other accounts. Overhead covers indirect costs such as accounting, expenditure claims, legal services, or anything that cannot be directly assessed to a project.
- B. Administration - The current snowmobile programs has 11.5% costs in this category. The term "administration" is misleading. These charges are all costs to operate and manage the program minus actual grooming costs. These include program safety, efforts of regional park personnel to work with local clubs, statewide coordination and project selection, etc. The costs associated with the snowmobile program, as a percentage, are in balance with other Department and state programs.
- C. Raise from 22% to 26% -
- This raise is temporary for three years only in order to implement the new Programmatic EIS which environmental groups strongly pressured FWP to complete. This EIS requires that all 3,634 miles of groomed trails go through comprehensive environmental assessment during the next three years.
  - This raise assumed current level funding and calculations were not based on additional revenue provided by the general fuel tax increase.
  - There is a fixed dollar amount needed to do the EIS work, therefore if the fuel tax increase is allowed to go into the program, the actual rate for program management would be less than 26%. However, if SB 43 is passed, the rate would be greater unless the Department totally eliminates several miles of trails from the system.

House Bill 2  
 SNOWMOBILE PROGRAM

		FY 94	FY 95
April '93	I.	<u>Prior to Special Session -</u>	
		Total Funding Appropriated -	\$411,692      411,931
		Funding Unappropriated due to General Fuel Tax Increase and a Cap imposed in 1993 Session	80,700      141,400
12/2/93	II.	<u>Special Session Action on HB 2 in House - Cap Removed.</u>	
		Therefore total funding appropriated -	492,392      553,331
<hr/>			
12/9/93	III.	Action on HB 2 in <u>Senate</u>	
		- Cap restored at lower level	
		- Total Funding Appropriated	\$250,000      \$250,000
		Funding Unappropriated due to Cap	242,392      303,331
<hr/>			

## SNOWMOBILE PROGRAM

### FY 94 FUNDS ALREADY COMMITTED

<u>Groomer Purchased and Delivered</u>	\$85,221
<u>Pre-Payment to Snowmobile Clubs</u> (see attached summary)	\$171,500
<u>Under contract with clubs but not yet paid</u>	\$57,128
<u>Fixed Costs</u>	\$97,843
Safety program	
Regional implementation	
Volunteer coordination	
Statewide program management	_____
TOTAL BUDGET	\$411,692

### Summary

Virtually all grooming funds have been committed for FY94 but \$57,128 has yet to be paid to the clubs.

SNOWMOBILE GROOMING GRANTS, FY 1994

SPONSOR	LOCATION	TOTAL GRANT	PREPAYMENT TO CLUBS	BALANCE UNDER CONTRACT BUT NOT YET PAID
Fiathead Snowmobile Assn	Kalispell	13,776	10,400	3,376
Lincoln Co. Snowmobile Assn	Libby	2,911	2,200	711
Ten Lakes Snowmobile Club	Eureka	1,940	1,500	440
Missoula Snowgoers	Missoula	10,672	8,000	2,672
Anaconda Snowmobile Club	Anaconda	6,791	5,100	1,691
Seeley Lake Drifters	Seeley Lake	9,895	7,400	2,495
Bitterroot Ridge Runners	Hamilton	4,500	3,400	1,100
Ponderosa Snow Warriors	Lincoln	13,570	10,200	3,370
Garnet Resource Area BLM	Missoula	3,880	2,900	980
Montana Nightriders Snow Club	Thompson Falls	4,268	3,200	1,068
Deer Lodge Snowmobile Club	Deer Lodge	1,892	1,400	492
Big Sky Snowriders	Livingston	3,105	2,400	705
Jack Pine Savages	Wise River	2,328	1,800	528
Outback Snowmobile Club	Ennis	1,500	1,100	400
Gallatin Valley Snowmobile Assn	Bozeman	16,492	12,400	4,092
Madison Valley Snow Snakes	Ennis	1,892	1,400	492
W Yellowstone Chamber of Commerce	W. Yellowstone	38,805	29,100	9,705
Beaverhead Sno-Riders	Dillon	9,701	7,300	2,401
Upper Yellowstone Snowmobile Club	Cooke City	21,343	16,000	5,343
Big Hole Snowmobile Club	Wisdom	2,911	2,200	711
Vigilante Snowmobile Club	Virginia City	7,761	5,800	1,961
Cut Bank Snowgoers	Cut Bank	10,260	7,700	2,560
Great Falls Snowmobilers, Inc.	Gr Falls	14,067	10,600	3,467
Little Belt Snowmobile Club	Hobson	7,761	5,800	1,961
Hoton Co Sportsmen Snowmobile Assn	Choteau	485	400	85
Sweetgrass County Recreation Assn	Big Timber	1,940	1,500	440
Midland Empire Snowgoers	Billings	2,500	1,900	600
Helena Snowdrifters	Helena	<u>11,682</u>	<u>8,400</u>	<u>3,282</u>
TOTALS		228,628	171,500	57,128

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

APPROPRIATIONS COMMITTEE BILL NO. SB43  
DATE 12-17-93 SPONSOR(S) SEN. FRITZ

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
GEORGE OCHENSKI	(MT. WILDERNESS ASSOC.) MWA	SB 43		<del>X</del>
MARK STAPLEY	self	SB 43		X
Hoddy Hams	self	SB43		X
Stuart Duggan	MT Inkcapers	SB-13	X	
John Gattell	MWA	SB-43		X
Mike Gardner	self	SB-43		X
Doug Parrell	self	SB43		X
Beverly Magley	self	SB 43		X
Paul Johnson	self	SB 43		X
GARY ADDINGTON	SELF	SB 43	X	
Michael Murray	Self	SB43		✓
Stacy Frasier	MWF	SB 43		X
Ken Hoovestel	Mt. Snowmobile Assn	43	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. SB 43  
 DATE 12-17-93 SPONSOR(S) Fritz

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<i>Jennifer Cole</i>	<i>mt Snow Mass</i>	<i>43</i>	<i>X</i>	
<i>Russ Rottler</i>	<i>Wash Contractors</i>	<i>43</i>		<i>X</i>
<i>Carl Schweitzer</i>	<i>mt cont Ass'n</i>	<i>43</i>		<i>X</i>
<i>Doug Wagner</i>	<i>House Dist 8 Flathead County</i>	<i>43</i>	<i>X</i>	
<i>Keith L. Colbo</i>	<i>MT Tourism Coalition</i>	<i>43</i>	<i>X</i>	
<i>Gary Feland</i>	<i>HD Dist 12</i>	<i>43</i>	<i>X</i>	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.