

**TESTIMONY OF THE
DEPARTMENT OF INLAND FISHERIES AND WILDLIFE**

**BEFORE THE JOINT STANDING COMMITTEE ON INLAND FISHERIES AND
WILDLIFE**

IN SUPPORT OF L.D. 977

**“Resolve, to Study the Gasoline Tax Allocations for Nonhighway Recreational Vehicles
and Make Recommendations for Change”**

Presented by Representative LANDRY of Farmington.

Cosponsored by Representatives: GREENWOOD of Wales, THORNE of Carmel.

DATE OF HEARING: April 19, 2023

Good afternoon, Senator LaFountain, Representative Landry and members of the Inland Fisheries and Wildlife Committee. I am Tim Peabody, Deputy Commissioner of the Department of Inland Fisheries and Wildlife, speaking on behalf of the Department, in support of **L.D. 977**.

This resolve directs the Department to study the distribution of gasoline tax revenue for nonhighway recreational vehicle programs as described in the Title 36, section 2903-D. The department must invite the participation of interested parties identified by the department. The study must explore changing the distribution of gasoline tax revenues among programs supporting the various types of recreational vehicles so that those programs are supported proportionately based on registration numbers of each type of recreational vehicle. The department must submit a report and any recommended changes to the Joint Standing Committee on Inland Fisheries and Wildlife no later than December 6, 2023.

A similar study was conducted by the University of Maine Margaret Chase Smith Center for Public Policy (MCSC) at the request of the *Maine Legislature’s Commission to Study Equity in the Distribution of Gas Tax Revenues Attributable to Snowmobiles, All-Terrain Vehicles and Watercraft in 2001*. This Commission was created to collect and analyze information to determine an equitable distribution of gas tax revenues used in the enforcement and enhancement of programs supporting off-road vehicle use in Maine. The results of this Commission informed the current gas tax percentages that are distributed today and support the ATV and snowmobile trail funds within DACF and the ATV Enforcement Grant Program, and snowmobile program general revenue in DIFW. For watercraft the tax is distributed to DMR for research and development and the DACF Boating Facilities Fund.

The Department supports the focus of this resolve as there have been changes over the past 20 years in the use of and technology of boats, ATV’s and snowmobiles, for example ATV

registrations numbers have doubled and more four stroke snowmobiles are on the trails since the 2001 study was done.

I have been in contact with the Director of the Margaret Chase Smith Center for Public Policy, Dr. Jonathan Rubin, who co-authored the 2001 report. Dr. Rubin and I discussed several ideas that the Committee could consider meeting the spirit of this resolve. I will present some options in no particular order and indicate a possible fiscal impact for each one:

Option: The Center would be willing to redo the 2001 study to reflect current use across all categories of recreational vehicles. To get fresh data they would want to survey user groups in a seasonal manner such as in the spring after snowmobile season and in the fall for watercraft and ATV's. So, a full report would not be available until mid-year 2024. Dr. Rubin estimated the cost of surveying all three user groups in a similar manner to the 2001 study to be approximately \$200,000.

Option: Explore the use of a 2021 Federal Highway Administration Report that was directed by the US Senate to *"determine the best available estimate of the total amount of non-highway recreational fuel tax received by the Secretary of Treasury"*. A preliminary look at this study indicated data was used from all (50) states for 2016-2018 and was applied to a statistical model to estimate fuel use by the various categories of vehicles. This report provides data on snowmobiles and ATV's but not watercraft. Dr. Rubin indicated that he would be available for work session to explain his knowledge on the background of the model that was used to create this report, and the timeline for updating the model that was used for the report. If the Committee wishes to consider this option, there would be costs to having an appropriate analysis done.

Option: Use the 2001 report from the Margaret Chase Smith Center and apply 2022 registration numbers for watercraft, snowmobiles, and ATV's. Essentially keeping the same use patterns and engine technology from (20+) years ago. If the Committee wishes to consider this option, I recommend having Dr. Rubin's group do the analysis. Costs for this option are to be determined.

These are just three options for this Committee to consider and the Department feels that a professional assessment of modeling methods and data inputs would be a first step of informing this Committee and the broader legislative body on this important economic issue.

I would be glad to answer any easy questions at this time or complicated ones during the work session when Dr. Rubin is available.