

**Motorboat Gas Taxes in the Great
Lakes Region:
A Comparative Analysis of Program
Structures and Strategies**

*Prepared by the Wisconsin Association of Lakes under
contract with the Wisconsin Stewardship Network.*

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Executive Summary:

The purpose of this study was to assess how states in the Great Lakes region estimate and allocate the taxes on fuels purchased for use in motorboats and then to evaluate whether Wisconsin's motorboat gas tax allocation program compares favorably with other regional programs. To complete this assessment our inquiry sought to answer the following questions:

- 1) What portion of state gasoline sales tax revenues are recognized (by law) as attributable to motorboat use and transferred to natural resource-related programs?
- 2) What method(s) have been used to estimate annual motorboat gasoline consumption and what data and assumptions were used to support justification for current motorboat gas tax allocation programs?
- 3) What strategies were employed to successfully establish and improve (increase) allocations to motorboat gas tax allocation programs?
- 4) How does Wisconsin's program compare to programs in other Great Lake states?

Reported here are findings from Michigan, Minnesota, Ohio, Pennsylvania and Wisconsin. The state of New York does not have a motorboat gas tax allocation program and data from Illinois was not obtainable given short project timelines.

Key findings:

As a percent of total gas tax revenues, Wisconsin's program nets ~1.26% of the state's total gasoline sales tax revenue, a lower percentage than Michigan (1.6%) and Minnesota (1.5%) but higher than Ohio (1%) and Pennsylvania (~0.18%). In terms of straight revenues Wisconsin nets ~\$11 million annually, falling almost \$8 million behind Michigan and \$2.7 million behind Ohio, while exceeding Minnesota and Pennsylvania revenues by \$4 million and \$9 million respectively. Wisconsin is the only state where allocation amounts are not based, in part, on motorboat fuel usage estimates collected within the last 5-10 years.

Demographic statistics such as population and numbers of registered boats figure prominently in state gas tax revenues and motorboat gas tax allocations. Wisconsin's population is ~50% or less than that in Michigan, Ohio and Pennsylvania, but slightly higher than in Minnesota. Wisconsin ranks third in the number of registered boats and assesses the highest sales tax per gallon of all states examined.

Also of note are studies showing Wisconsin has a comparably high ratio (more than 2.5 x the next closest state) of non-resident anglers entering the state to fish versus resident anglers leaving the state to fish. If used as a surrogate for boating activity, these data suggest motorboat gasoline purchases by non-residents in Wisconsin are comparably higher than purchases by non-residents in other states.

Introduction:

In 1987, Wisconsin Act 27 created the Water Resources Account (WRA), a repository for the portion of gasoline sales tax revenue estimated to be attributable to motorboat use. The WRA funds the development of state and local recreational boating facilities, lake and river management activities and grant programs, dam inspection and safety, and Fox River management¹. The original program allocated motorboat fuel tax revenues based on the formula of 50 gallons of fuel per registered boat annually. The 50 gallon estimate was based on findings from the State Comprehensive Outdoor Recreation Study conducted in 1985. A multiplier of 1.4 times the motorboat fuel tax revenue was added to the formula as part of the 1991-1993 Wisconsin State Budget Adjustment Bill (Act 269) to account for non-resident purchases of motorboat fuel. The addition of the multiplier was the result of a combined effort spearheaded by lobbyists representing the Wisconsin Association of Lakes and Wisconsin's snowmobile industry. There was no particular study or report justifying the use of the 1.4 multiplier.

Despite steady increases in average boat size and engine horsepower, and the introduction of legislation in 2001 to increase the assumptions for the average gallons of gasoline used per registered boat each year (SB 468), Wisconsin's formula for estimating motorboat gas taxes has not been adjusted since the addition of the multiplier in 1991. With approximately 564,669 registered boats in the state in fiscal year 2002-2003, annual program revenues are just over \$11 million.

Because all but a small portion of all gasoline tax revenues are restricted for highway and road improvement use, any underestimate of motorboat gasoline consumption translates into lost revenues for water-related programs and a subsequent subsidy to transportation projects. Because Wisconsin has the highest state gas tax rate in the region (31.1 cents/gallon), even a small adjustment in the estimated number of gallons of fuel consumed by motorboats annually would substantially increase program revenues (e.g. an increase in the estimate of 10 gallons/boat would net ~\$1.8 million).

In the absence of current or accurate data on actual motorboat gasoline consumption in the state, the next most useful way to assess whether Wisconsin's allocation formula reasonably represents actual motorboat fuel use is to examine program assumptions and data from nearby states.

This study documents methodologies for estimating and allocating taxes on fuels purchased for motorboat use throughout the Great Lakes region. Also reported are estimates of total program revenues by state since 1994, motorboat gas tax revenues as a percentage of total gas tax revenues since 1994, and other data relevant to a state-by-state comparative analysis (e.g. population statistics, total boat registrations, gas tax rates etc.) of these programs. Skeletal information about similar programs in states outside the Great Lakes region is provided in Appendix A.

This study is intended to inform discussions by Wisconsin's water-protection community as to the feasibility of launching another campaign to increase Wisconsin's motorboat gas tax allocation formula. Toward this end, the history of motorboat gas tax allocation programs in other Great Lakes states was also collected and reported here. Where available, details include dates and amounts of program increases and anecdotal information such as who

¹ Wisconsin Legislative Reference Bureau. 2003. Information Paper #56: Conservation Fund.

provided leadership for initiatives to increase the formulas and what partnerships and strategies were more and less effective in those efforts.

The report concludes with recommendations for how these findings may be used or expanded to craft salient arguments to justify an increase in Wisconsin's motorboat gas tax allocations and provides suggestions for other potential boating-related revenue increases (e.g. registration and titling fees and voluntary check-off boxes) which might be used to increase funding for water quality improvement programs. Because motorboat gas taxes are not necessarily the only or primary source of funds for water quality improvement programs in other states, additional research on how nearby states fund lake and river management, protection and improvement programs may also be warranted.

History of Motorboat Gas Tax Allocation in the United States:

Since the passage of the National Recreational Boating Safety and Facilities Improvement Act of 1980 (the Biaggi Act), the federal government has maintained legislation providing that a portion of federal excise tax receipts attributable to motorboat fuel be transferred to programs promoting boating safety and facilities improvement. Monies from this program now flow into the Aquatic Resources Trust Fund (a.k.a. Wallop-Breaux Trust Fund) which funds, among other things, boating safety and sport fishing programs. Federal analysts estimate that 1.08% of the total Highway Trust Fund is attributable to motorboat fuel purchases, however only 13.5 cents per gallon (out of 18.5 cents/gallon tax) of fuel purchased for motorboats is transferred to the Aquatic Resources Trust Fund².

Many individual states have similar programs applicable to state fuel taxes; however, methodologies for estimating motorboat fuel usage vary widely resulting in vastly different programs. A recent article in *BoatUS* magazine¹ reports that 32 states transfer some portion of taxes on fuel used by motorboats to boating related programs (Figure 1) with percent allocations ranging from a low of 0.03% in Maryland and Massachusetts to up to 2% of all gasoline taxes in California. Most state's programs are protected by law, and funds are most commonly used to support the development and maintenance of boating facilities, and boating safety and law enforcement programs. Some 20 states or jurisdictions are without motorboat gas tax allocation programs. A complete list of program details by state are provided in Appendix A.³

In the Great Lakes Region, New York is the only state with no motorboat gas tax allocation program. Minnesota was the first state to implement a program in 1961, followed by Ohio (1963), Michigan (1967) and Pennsylvania (1969). Wisconsin lagged far behind implementing its program in 1987. The state of Illinois also has a motorboat fuel tax transfer program, however details were not available in time for the first release of this report so Illinois is not included in this study.

Current allocations among the study group range from a low of 0.18% (PA) to a high of 1.6% (MI) of total gas tax revenues. Michigan, Minnesota and Ohio's formulas are all based on a

² Boat US Magazine. January 2004. *Drive Launched to Recoup State Gas Taxes*. 1.08% assumption derived from: U.S. Fish & Wildlife Service. 1992. *National Recreational Boating Survey* prepared by Price Waterhouse under contract # 14-16-00009-09-006.

³ **Note:** State by state information is continually updated on the BoatUS web-site at www.boatus.com/gov/state_taxrefund.htm. Information in Appendix A represents BoatUS data as of January 2004. Discrepancies between the Appendix and this report should assume the report data is more current.

straight percentage of total gas tax revenues while Pennsylvania's allocations are based on the application of annual survey data to boat registration statistics. As noted above, Wisconsin's estimate is fixed at 50 gallons/boat and is multiplied annually by the number of registered boats. Allocations have increased one or more times in Michigan, Minnesota, Ohio and Wisconsin, but not Pennsylvania.

Motorboat Gas Tax Allocation Programs in the Great Lakes Region:

Michigan: *1.6% of all state gas tax revenues*

Most recently authorized under Michigan Act 451 of 1994, Michigan's motorboat gas tax allocation program was first implemented in 1967 at 1.25% of total gas tax revenues. The allocation formula has changed four times since then, increasing to 1.5%, decreasing back to 1.25%, returning to 1.5% (dates unavailable in time for report release) and then finally increasing again in 1994 to the current 1.6%. The temporary dip from 1.5% to 1.25% came at a time when the Michigan General Fund was in the red and all restricted programs were raided to help with the offset.

Michigan motorboat gas tax allocations are credited to the Michigan Waterways Fund which, since 1998, has also received 17.5% of boat registration revenues. Prior to 1998, 25% of all boat registration fees were allocated to the Waterways Fund. The Michigan State Waterways Fund is used by the Department of Natural Resources solely for the construction, operation, and maintenance of recreational boating facilities; the acquisition of property; for grants to local units of government and public colleges or universities to acquire and develop harbors of refuge and public boating access sites; and for administration of the program. Public oversight of the program via the Michigan State Waterways Commission helps to protect the program from political assault.

Historically, efforts to justify restricted gas tax monies were supported by surveying 20% of the registered boat population once every 5 years, assessing average gallons used per boat size, then applying those figures to active registration figures. The surveys also assessed where usage occurred and where boaters wanted better public access to waters. Mechanical vehicle counting at boat access sites was also conducted to confirm survey numbers and to support estimates of tourist impacts (by recording out of state plates). The out of state "multiplier" has risen as high as 20% in years when weather and lake levels were high. A response regarding whether these surveys are still conducted and the fulfillment of a request for a copy of the most recent results are still pending.

Proponents of Michigan's program attribute their success with allocation increases to a strong coalition of support from the Michigan Boating Industry Association and the Michigan United Conservation Clubs (a hunting/fishing/conservation organization). Improving public access to waters was a strong motivation for anglers and duck hunters to participate in these efforts. In the absence of recent data they found using Ohio's research was useful to demonstrate that their requests were based on conservative numbers.

There is currently no active initiative to push for another formula increase. The consensus of the boating community is that the program is healthy and to launch another campaign would expose them to opposition from the highway lobby which could result in a decrease in the current formula. With approximately 1,003,947 registered boats in the state, motorboat gas

tax revenues generate between \$19-20 million in revenue for the Michigan Waterways Fund each year.

Minnesota: *1.5% of all state gas tax revenues*

Minnesota's motorboat gas tax allocation program was originally passed in 1961, allocating $\frac{3}{4}$ of 1% of the state's gasoline taxes to the Water Recreation Account. Under Minnesota Chapter 404 section 160, the formula was increased to 1.5% in 1987. The derivation of this formula includes the assumption that approximately twice as many (2.1 times) non-resident boaters use Minnesota waters and purchase fuel in the state as Minnesota residents who purchase boat fuel outside of state boundaries. The choice of 2.1 is purportedly based on fishing day estimates from the U.S. Fish and Wildlife Service's *2001 National Survey of Fishing, Hunting and Wildlife Services*⁴(Minnesota State Report), however a closer look at the available data suggests a more accurate multiplier would be 1.4 (e.g. In 2001, there were 2.6 million fishing days by non-residents in Minnesota versus 1.9 million fishing days by Minnesota residents in other states). The potential significance of this approach is discussed in the Comparative Analysis section of this report.

The Water Recreation Account funds the acquisition, development, maintenance and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvements; state park development; and boat and water safety. The revenues must be reallocated every other year. Though Minnesota has the second highest number of registered boats in the Great Lakes region (826,000+), it also has the lowest population (~ 5 million people), and subsequently the lowest total gas tax revenues in the region. Therefore, while Minnesota ranks second highest in terms of percentage of total gas tax revenues attributed to motorboat use compared to other Great Lake states, their resulting net revenues rank fourth at approximately \$7.6 million annually.

No information was available in terms of strategies employed to support the allocation increase in 1987, but a 1998 study commissioned by the Minnesota Legislature⁵ further justified the use of 1.5%. Again using the 2.1 multiplier, the study found the actual percentage of motorboat gasoline consumption to be 1.54% (~35.6 million gallons) with average consumption ranging from as low as 10 gallons annually to highs of 243 gallons depending upon the type of boat. In 2001 legislation was introduced to increase the formula from 1.5% to 1.54% to more accurately reflect the findings from the 1998 study. Though the requested revision would have increased program revenues only slightly (~200k/annually), the initiative was unsuccessful. No efforts to introduce new legislation have been attempted since 2001 but the interest remains high for the Minnesota Lakes Association. In early 2004 they will introduce legislation to authorize funding to update the 1998 motorboat fuel usage study.

Ohio: *1% of all state gas tax revenues*

Ohio's motorboat gas tax allocation program originated in 1955 when the state authorized a Marine Fuel Tax imposed exclusively on fuel sold for recreational boats. The taxes were

⁴ U.S. Department of the Interior, U.S. Fish & Wildlife Service and U.S. Department of Commerce, U.S. Census Bureau. 2001. *National Survey of Fishing, Hunting, & Wildlife Associated Recreation*. National report at: <http://fa.r9.fws.gov/surveys/surveys.html>. State-specific reports at: <http://www.census.gov/prod/www/abs/fishing.html>

⁵ Minnesota Departments of Natural Resources, Transportation, Revenue and Administration. 1998. *Watercraft Gasoline Consumption Study*.

collected and reported by dealers. A 1962-1963 study showed this program was administratively difficult to implement and, because not all boaters purchased fuel directly from marinas or boat dealers, resulted in a portion of taxes on fuel used for recreational boating being erroneously credited to various highway trust funds.

In 1963 the Marine Fuel Tax law was repealed and replaced by legislation which allocated 0.5% of all gasoline tax revenues to the Waterways Safety Fund (Ohio Revenue Code 5753.051). The allocation was increased to 0.75% in the 1998-1999 legislative session, and again to 1% in 2001. Prior to 2001, all program revenues were credited to the Waterways Safety Fund, but the 0.25% increase in 2001 credited ½ of the increase to the Waterways Safety Fund (for a total of 0.875% of all gas tax revenues) and ½ of the increase to the Wildlife Boater Angler Fund.

The Waterways Safety Fund is the sole source of revenue for the Ohio Department of Natural Resources' (DNR) Division of Watercraft. Gas tax revenues are combined with boat registration and title fees and federal boating safety grants to fund boating education, safety, and law enforcement programs; capital improvements to boating infrastructure; and Division of Watercraft administration. The Wildlife Boater Angler Fund provides revenues for boating access construction, improvements and maintenance for lakes on which the operation of gasoline-powered watercraft is permissible. The Wildlife Boater Angler Fund is administered by the Ohio DNR's Division of Wildlife.

The lobbying and grassroots organizing efforts of the Boating Associations of Ohio (representing the interests of both the boating industry and boat owners) were an instrumental force in doubling the motorboat gas tax allocations in a few short years. Their success was part of a 6-year strategy beginning with the passage of a bill that called for the Ohio Legislative Commission to conduct a study on motorboat gasoline consumption⁶. The study estimated average annual motorboat fuel usage of 299 gallons/boat which, at the time, translated to ~1.93% of total gas consumption in the state. These data confirmed that the current 0.5% allocation underestimated motorboat fuel usage and paved the way for the subsequent increases. Boating Associations of Ohio Executive Director Norm Schultz stressed the benefits of having the Legislative Commission conduct the study, claiming the validity of the findings were never questioned by lawmakers because the source of the data was internal. An update to 1998 study was reportedly commissioned for completion in 2003 but a response as to the status of that project is still pending.

Another important component in Ohio's strategy was to convince Ohio Seagrant to conduct a study on the economic impacts of boating in Ohio. This study found boating related activities contributed approximately \$1.3 billion annually to Ohio's economy⁷, providing additional strong incentives for the protection and expansion of boating related programs.

As expected, initiatives to increase the allocation formula met the greatest resistance from the road building and concrete lobby. Because the prescribed use of funds included the building of boat ramps, which are made from concrete, proponents convinced the concrete lobby to not oppose their initiatives thereby leaving the road builders as the only vocal opponents.

⁶ Ohio Legislative Services Commission. 1998. *Allocation of Motor Fuel Taxes to the Waterways Safety Fund*.

⁷ Leroy J. Hushak. Twine Line September/October 1999. *Recreational Boaters spend \$1.3 Billion in Ohio*. 21 (5):3. <http://www.sg.ohio-state.edu/PDFS/PUBLICATIONS/TWINELINE/1999/tl-so-99.PDF>.

Despite ranking second to last in terms of the number of registered boats (~414,658) and the percent of total gas tax attributed to motorboat use, Ohio's net motorboat gas tax revenues rank second in the region due to Ohio's high population. Currently, Ohio motorboat gas tax revenues exceed \$13.8 million dollars annually.

Pennsylvania: *\$0.12/gallon of motorboat fuel purchased based on annual survey estimates* Pennsylvania's motorboat gas tax allocation program has been on the books since 1969 (P.L. 161 as amended 72 P.S. Section 2611q). The current formula of \$0.12/gallon of motorboat fuel purchased is believed to have been on the books since the mid 1970s, however, interviewees were only able to confirm that this exact policy has been in place for the last 15 years.

Estimates of motorboat fuel usage by boat type (length and engine type) are tallied based on annual surveys sent out with boat registration renewals. Because registrations are bi-annual, annual usage estimates combine the current and previous year's data. Survey results are audited each year and then multiplied by the corresponding number of registered boats of each type to determine total motorboat fuel usage and the amount of the subsequent transfer. Usage estimates from Pennsylvania's 2002 survey ranged from 20.5 gallons/year (boats b/w 12'-16' with outboard motors) to 505 gallons/year (boats > 30' with inboard motors).

Motorboat gas tax revenues are credited to Pennsylvania's Boat Fund and cover a portion of the administrative expenses of processing boat registrations; salaries, travel & administration of the boating program; repairs and improvements to boating access sites; maintenance of the boating division fleet; purchases of land & water; boating safety programs and the lease of lands.

Though no official campaign has been initiated to request an increase in the allocation formula, representatives from the Pennsylvania Fish & Boat Commission expressed a keen interest in seeing the formula increased. As of 2002, the state gasoline tax rate was \$0.267 which means over ½ of gasoline taxes paid on fuel used in motorboats are allocated to highway improvement funds.

Comparative Analysis:

As shown above, states in the Great Lakes region vary in how they allocate annual motorboat gas tax revenues. Several receive a straight percentage of total gasoline sales tax revenues, while others rely on a formula dependent upon annual boat registrations and other factors. To normalize this information for comparative purposes, we collected total state gas tax revenues and total motorboat gas tax allocations for each state since 1994 and compared both net motorboat gas tax revenues and revenues as a percentage of total gasoline tax revenues.

Also reported are population statistics, which strongly influence net revenues in states where allocations are based on a straight percentage of total gas tax revenues, and the number of registered boats by state. Even in states where a straight percent allocation is employed, boat registration statistics figured prominently in research conducted to estimate motorboat fuel usage and justify program parameters.

The section concludes with a look at data from the 2001 *National Survey of Fishing, Hunting, & Wildlife Associated Recreation*⁸ used by the state of Minnesota to justify the multiplier accounting for non-resident purchases of motorboat fuel in the state.

Of the five states examined in this report, Wisconsin ranks fourth in terms of the total gasoline sales tax revenues (Table 1). Michigan, Pennsylvania and Ohio all collect approximately \$1.3 billion in total gas tax revenues, significantly more than revenues collected in Wisconsin (~ 865k) or Minnesota (~ 520k). The differences are correlated to population size, with Michigan, Minnesota and Ohio all having greater than 10 million residents while Wisconsin and Minnesota boast just 5.4 million and 5 million residents respectively (Table 2).

A comparison of total motorboat gas tax revenues places Wisconsin third (~\$11 million), falling far behind Michigan (~\$19 million), slightly behind Ohio (~\$12 million) and far exceeding Minnesota and Pennsylvania (~\$7.6 & \$2.3 million respectively). When examined as a percentage of total gas tax revenues, Wisconsin's motorboat gas tax revenues maintain a third place ranking with a transfer equivalent to approximately 1.26% of total gas tax revenues. As reported above, Michigan and Minnesota have the highest codified percentage allocations (1.6% and 1.5% respectively), but actual program revenues appear to fall somewhat short of the statutorily required percentage transfers (Table 1).

Total boat registrations, state population statistics, per capita boat registrations and per capita investment from motorboat gas tax allocations are reported in Table 2. Michigan and Wisconsin rank first and third respectively in terms of both net motorboat gas tax revenues and the number of registered boats, but are similar in the number of per capita boat registrations (~0.10). At \$2.03 per person, Wisconsin ranks highest among the five states for per capita investment from motorboat gas tax allocations. Minnesota has the second highest number of registered boats and the highest per capita boat registrations (0.163), but ranks third in per capita investment from motorboat gas tax allocations in 2002. A full comparison of 2002 boater registrations by 2002 motorboat gas tax allocation revenues by state is shown in Figure 2.

As noted in the state by state narratives above, Michigan, Minnesota and Wisconsin all make some attempt to account for non-resident motorboat fuel purchases in their allocation formulas. Absent any hard data on non-resident boating activity, the number of resident and non-resident fishing days as tracked by the U.S. Fish & Wildlife Service (USFWS) in the *National Survey of Fishing, Hunting, & Wildlife Associated Recreation* provides a reasonable surrogate. The state of Minnesota used an early version of this report to justify inclusion of a 2.1 multiplier in their formula by comparing the number of days residents fished in other states to the number of days non-residents fished in Minnesota. Data from the 2001 version of this report is shown in Table 3.

As can be seen, Wisconsin ranks second only to Minnesota in terms of the total number of fishing days in the state (22 versus 30.1 million respectively), but exceeds all other states by more than 2 million days. Wisconsin hosts the highest net number of non-resident fishing days (~3.7 million) which, when looked at as a percentage of total fishing days, represents almost twice as high a proportion of non-resident to total than any other state. The USFWS also found that Wisconsin has the highest ratio of non-resident fishing days in the state

⁸ See footnote 4.

compared to residents fishing days in other states (~3.7), more than 2.5 times greater than the ratio found for Minnesota or Michigan (~1.4 and 1.3 respectively). Also of note is that Illinois residents are the largest exporters of fishing days in the region, spending 5.9 million days fishing in other states annually (IL data not shown).

One final point of comparison that may be useful is a look at state gas tax rates. As of 2002, at \$0.311/gallon Wisconsin's state gas tax rate was the highest of all the states examined for this study followed by Pennsylvania (\$0.267), Michigan (\$0.262), Ohio (\$0.22), then Minnesota (\$0.20). With the highest gas tax rates in the region, any underestimate of the number of gallons attributable to motorboat fuel usage results in even higher transfers of dollars to transportation programs than a comparable underestimate in another state. The benefit, however, is that even a small increase in Wisconsin's allocation formula will result in significant program revenue increases.

Recommendations/Conclusions:

While Wisconsin's rankings for total motorboat gas tax revenues and program revenues as a percentage of total gas tax revenues appear to make sense in light of our rankings for the number of boat registrations, it is clear from the findings above that Wisconsin's approach to estimating motorboat fuel usage has been far less thorough than approaches used in other states. Because state-specific survey data has proved useful for increasing motorboat gas tax allocations in Minnesota, Michigan and Ohio, a thorough study in Wisconsin may provide the justification needed to adjust our formula.

Representatives from Wisconsin DNR recently indicated that the Wisconsin Department of Transportation plans to request funding to conduct such a study and that any such study will be designed with input from Wisconsin DNR. Much can be learned from the success and shortcomings of survey efforts in other states so we recommend a thorough review of study design and findings from other states to inform Wisconsin's effort. While obtaining an accurate estimate for the average number of gallons of gasoline per boat type should be a priority for this study, it is also essential that the study design includes methodology for collecting accurate information regarding purchase of motorboat fuel by non-residents within state boundaries. Copies of the Ohio and Minnesota studies and the most recent statistics from Pennsylvania's boat registration renewal cycle are now on file at the Wisconsin Association of Lakes for review. Michigan data is expected soon.

With or without additional data, enlisting the support of a broad coalition of proponents also appears to be a key component to campaign success. In both Michigan and Ohio, the campaigns were lead by organizations representing the state's boating industry and boater populations. Other grassroots groups interested in public access to state waters were also enlisted. The mantra for these and other campaigns across the country (e.g. Florida) has been "User Pays/User Benefits," with the goal of ensuring all revenues paid into the state treasury by boaters are returned for the benefit of boating programs. Wisconsin's program is unique among the states examined for this report in that we appear to be the only state where programs to improve water quality are eligible for significant portions of motorboat gas tax monies. Minnesota allocates some program revenues to state park improvements and a small amount of funds for lake and river improvement programs, but in Michigan, Ohio and Pennsylvania, 100% of program revenues are used for boating infrastructure, boating safety and boating law enforcement. Any initiative to enlist the support of the state's boating industry would thus necessarily require an assessment of boating related needs in the state

and a plan to ensure their interests were rewarded in the codified allocations of any additional revenues.

Initiatives to increase motorboat gas tax allocations are prima facie opposed by the highway and road building lobby because they result in a net transfer of funds from state transportation budgets to natural resources programs. With this in mind, a back-up strategy may be to extend this comparative inquiry to look at other sources of boating revenue including registration and titling fees, exotic species surcharges, voluntary check-off boxes and allocations of boat sale excise taxes, and to assess other opportunities for revenue increases. Because, as mentioned above, many states allocate no portion of boating related revenues to water quality improvement programs, an inquiry into the sources of revenues in other states may also be warranted.

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TABLE 1: Data collected from various state agencies including Boating Divisions, Departments of Transportation, Departments of Revenue and Legislative Reference Bureaus. Minnesota's data represent revenue estimates, all other figures are exact.

Total Gasoline Sales Tax Revenues					
	Michigan	Minnesota	Ohio	Pennsylvania	Wisconsin
1994	\$780,996,875	\$405,400,000	\$1,242,480,481	\$1,012,768,405	\$652,436,400
1995	\$837,859,375	\$417,700,000	\$1,251,919,809	\$1,014,770,984	\$680,846,400
1996	\$867,031,250	\$439,800,000	\$1,201,612,596	\$1,066,666,152	\$709,246,200
1997	\$884,415,625	\$452,000,000	\$1,368,231,886	\$1,225,537,619	\$741,262,700
1998	\$974,300,000	\$471,300,000	\$1,328,376,461	\$1,229,877,251	\$794,766,000
1999	\$1,232,562,500	\$490,200,000	\$1,370,698,218	\$1,255,202,169	\$816,466,800
2000	\$1,231,675,000	\$499,000,000	\$1,404,945,724	\$1,258,843,363	\$809,635,200
2001	\$1,582,143,750	\$507,800,000	\$1,307,275,001	\$1,297,030,151	\$851,050,200
2002	\$1,299,359,375	\$520,600,000	\$1,383,330,324	\$1,310,362,451	\$865,453,800
Motorboat Gas Tax Allocations					
	Michigan	Minnesota	Ohio	Pennsylvania	Wisconsin
1994	\$13,405,750	\$5,900,000	\$6,212,402	\$2,095,926	\$8,142,242
1995	\$13,872,500	\$6,100,000	\$6,259,599	\$2,539,824	\$8,442,563
1996	\$14,150,650	\$6,300,000	\$6,008,063	\$1,882,155	\$8,685,512
1997	\$15,588,800	\$6,600,000	\$6,841,159	\$1,460,968	\$8,828,767
1998	\$19,721,000	\$6,800,000	\$6,641,882	\$2,395,192	\$9,466,730
1999	\$19,706,800	\$7,100,000	\$6,853,491	\$2,176,795	\$9,914,796
2000	\$25,314,300	\$7,300,000	\$10,537,093	\$2,408,195	\$10,277,301
2001	\$20,789,750	\$7,500,000	\$9,804,563	\$2,663,711	\$10,755,949
2002	\$19,023,150	\$7,600,000	\$13,833,303	\$2,309,642	\$11,107,039
Motorboat Gas Tax Allocation as a % of Total Gasoline Sales Tax					
	Michigan*	Minnesota*	Ohio	Pennsylvania	Wisconsin
1994	1.72%	1.46%	0.50%	0.21%	1.25%
1995	1.66%	1.46%	0.50%	0.25%	1.24%
1996	1.63%	1.43%	0.50%	0.18%	1.22%
1997	1.76%	1.46%	0.50%	0.12%	1.19%
1998	2.02%	1.44%	0.50%	0.19%	1.19%
1999	1.60%	1.45%	0.50%	0.17%	1.21%
2000	2.06%	1.46%	0.75%	0.19%	1.27%
2001	1.31%	1.48%	0.75%	0.21%	1.26%
2002	1.46%	1.46%	1.00%	0.18%	1.28%

**NOTE: Discrepancies between percent allocations reported here and in report text represent the difference between statutory percent allocations as mandated by state administrative codes and estimated actual allocations based on net revenues reported by state agencies.*

Table 2: a) Boat registrations as reported by the National Marine Manufacturers Association at: www.nmma.org/facts/boatingstats/2002/files/boatregistration.asp. b) Population statistics as reported by the U.S. Census Bureau at: <http://eire.census.gov/popest/data/states/tables/NST-EST2003-01.php>

	2002 Boat registrations (a)	2002 Population (b)	2002 Per capita boat registrations	2002 Per capita investment from motorboat gas tax allocations
Michigan	1,003,947	10,043,221	0.100	\$1.89
Minnesota	826,048	5,024,791	0.164	\$1.51
Ohio	414,658	11,408,699	0.036	\$1.21
Pennsylvania	359,525	12,328,827	0.029	\$0.19
Wisconsin	575,920	5,439,692	0.106	\$2.04

Table 3: Data from U.S. Department of the Interior, U.S. Fish & Wildlife Service and U.S. Department of Commerce, U.S. Census Bureau. 2001. *National Survey of Fishing, Hunting, & Wildlife Associated Recreation State Reports* available at: <http://www.census>

	Total fishing days in the state (millions)	Resident fishing days in state (millions)	Non-resident fishing days in state (millions)	Non-resident fishing days as a percent of total	Resident fishing days in other states (millions)	Ratio non-resident fishing days in state vs resident fishing days out of state
Michigan	19.3	17.6	1.7	8.8%	1.3	1.3
Minnesota	30.1	27.5	2.6	8.6%	1.9	1.4
Ohio	19.9	18.9	1	5.0%	3.1	0.3
Pennsylvania	18.3	17	1.3	7.1%	4.5	0.3
Wisconsin	22.0	18.3	3.7	16.8%	1	3.7

Figure 1: Boat US Magazine. January 2004. *Drive Launched to Recoup State Gas Taxes.* BoatUS Magazine, January 2004. Article text available at: http://www.boatus.com/news/taxes_0104.htm

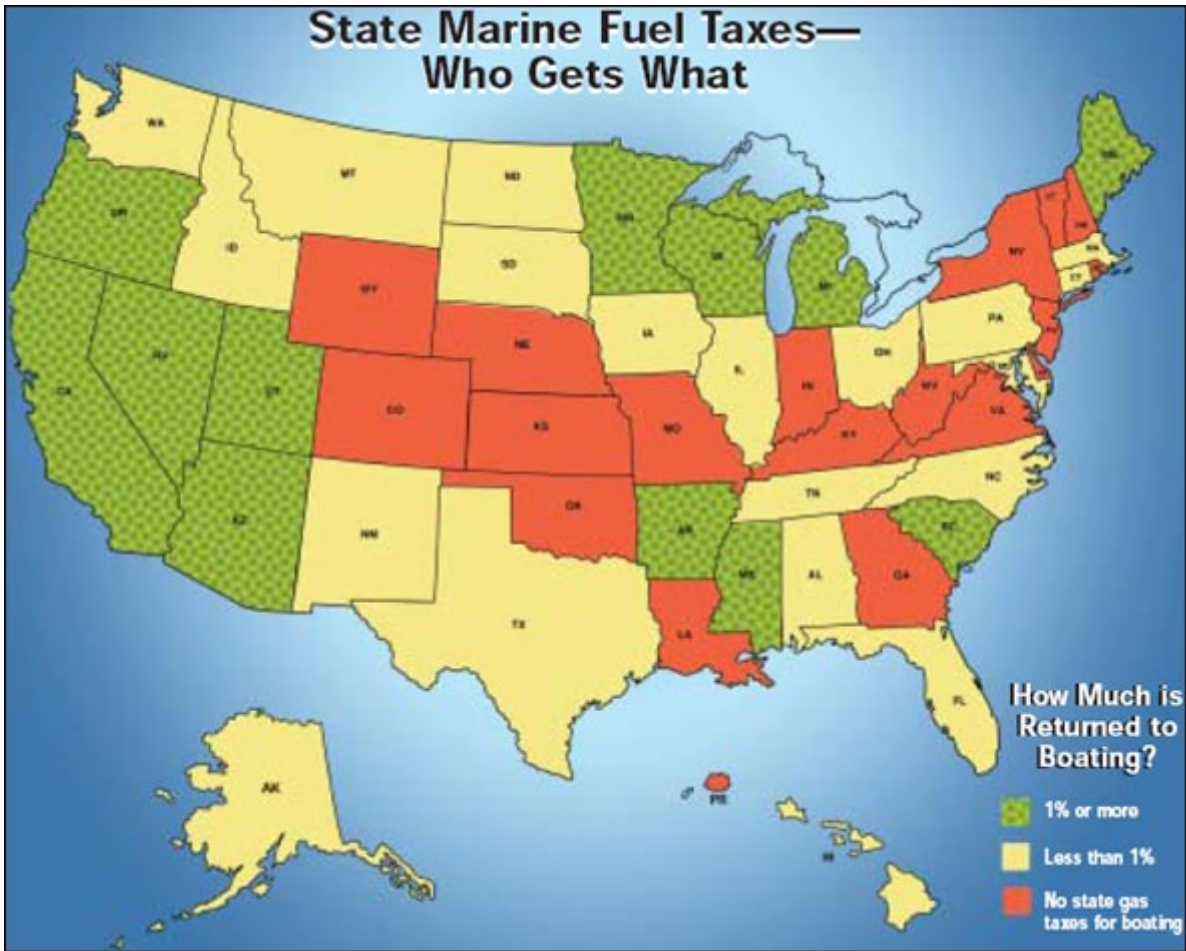
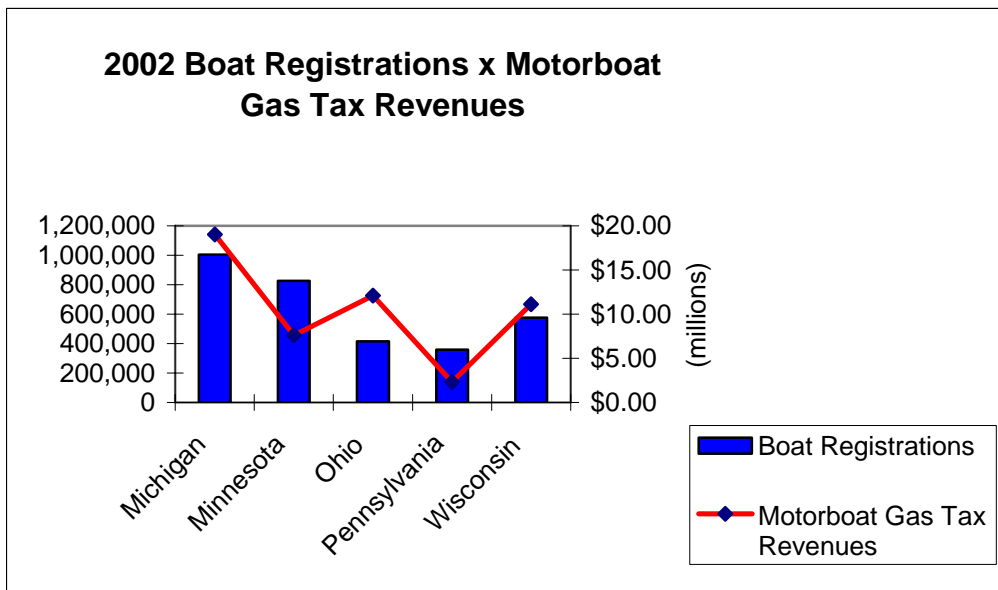


Figure 2: 2002 State Boat Registrations x Motorboat Gas Tax Revenues



Appendix A: Data posted and periodically updated by BoatUS at: http://www.boatus.com/gov/state_boat.htm. All data attributable to BoatUS except for Michigan, Minnesota, Ohio, Pennsylvania & Wisconsin which were informed by this report. This printout current as of January 2004 but may not represent the most current statistics for every state.

State and Contact	Gas tax revenue rec'vd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
AL , Bill Garner, BLA, Marpol Dir.	60% of 35/100 of 1% of total gas tax revenue: approx. \$500,000	general marine police fund	Yes	None	100%, approx. \$3.5 million	2% / None	No/None
AK , Jeff Johnson, BLA, Dept. of Natural Resources	None	Up to 5% by statute w/state appropriation for boating facilities	No	None	Yes. Diff. between DMV collections & amount spent on reg. may be spent on other boating safety programs	None/Some boroughs w/tax	Yes, by borough/ None
AR , Mike Wilson, BLA, Boating Safety Section	Approx. \$100,000 from highway dept.	Facilities—boat ramps, parking areas	No	Yes	50%	4.625% / None	Yes/None
AZ , Mark Weise, BLA, Game & Fish Dept.	1.539% of total gas tax revenue	State Lake Improvement Fund; for facilities (docks, ramps, etc.)	Yes	None	100%	7.05% / None	No/None
CA , Don Waltz, Chief of Boating Facilities Division	1-2% of total gas tax revenue; approx \$26-29 million	Harbors & Watercraft Revolving Fund (loans, grants, salaries, education)	Yes	None	100%, approx \$6.5-7 million	7.25% / None	Yes, local/ None
CO , Rick Storm, BLA, Div. of Parks & Outdoor Rec.	None	NA	NA	None	100%, approx. \$1.3 million	3% / None	No/None

State and Contact	Gas tax revenue rec'd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
CT , Frank Disbrow, BLA, DEP: Boating Div.	\$250,000 of total gas tax revenue	General boating programs	Yes	None	Remainder after approx. \$2.3 million. to county and portion to DMV for registration	6% / None	Yes/ Personal property tax included in boat reg. fees
DE , Chief Jim Graybeal, BLA; Div. of Fish & Wildlife	None	NA	NA	\$892,861	Approx. \$283,000; total revenue split with gen. assembly and dept. of fisheries	No sales tax	No/None
DC , Lt. Alfred Durham, Metro Police Dept., Harbor Ptrl Sec.	None	NA	NA	None	None	None	No/None
FL , Sandra Porter, FFWCC, Div. of Admin. Services	Yes	State transportation needs, \$6.3 million aquatic plant mngmt, \$1.25 million local rec. btg projects (channel marking, ramps), \$1.25 million rec. btg & freshwtr fisheries mngmt	Yes	Yes, Law Enforcement boating safety	Yes, Law Enforcement boating safety	6-7.5%/ None	No/None
GA , Lt. Col. Terry West, DNR, Wildlife Resources Div.	None	NA	NA	\$3 million	None, money to general fund	3.5% + local/ None	Yes (county)/ None
HI , Mason Young, Boating Law Administrator, DLNR, Div. of Btg & Ocn. Rec.	\$1.3 million thru Dept. of Trans.	General boating programs	Yes	Only for capital imprvmnt; usu. little \$	100%, approx. \$205,000	None	Yes/None
ID , Doug Strong, BLA; Dept. of Parks & Rec, Boating Program	.83% of total gas tax revenue	Primarily for facilities and patrol boats	Yes	None	100%, approx 1.6 million; 15% to direct management costs, 85% to county	5% / None	No/None
IL , Thomas Wakolbinger, BLA; DNR, Office of Law Enforcement	\$5.04 million	General boating programs	Yes	None	100%, approx. 2.5 million	7% / None	No/None

State and Contact	Gas tax revenue rec'd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
IN , Sam Purvis, BLA; DNR, Law Enforcement Div.	None	NA	NA	\$1,128,038	\$1,029,957; \$12-\$22/boat. Law enfcmt, edu supplies & equip, ofcr retirement fund, lake enhcmnt.	5% / None	No. Excise tax coll. each yr based on new value of boat. Each yr tax is lwrd 10% down to 50% of orig. tax
IA , Randy Edwards, BLA; DNR, Fish & Wildlife Div.	\$3-3.5 million	Facilities (ramps, improvement, etc.); money distributed on project basis.	Yes	None	100%, aprox. \$1.3 million, money distributed on project basis	5% / None	No/None
KS , Cheri Swayne, BLA; KS Wildlife & Parks	None	NA	NA	None	100%	4.9% / None	Yes/None
KY , Maj. Charles Browning, Dept. of Fish & Wildlife	None	NA	NA	None	100%	6% / None	No/ None
LA , Lt. Col Charles Clark, Dept. of Wildf & Fisheries	None. Dedicated to hwy imprvmnt.	NA	NA	None	100%, aprox. \$1 million, plus add'l money fr. LA Cnsvrtnist Fnd	8% / None	No/None
MA , Col. Richard A. Murray, Deputy Dir. of Admin., Dept. of Fisheries, Wildlife & Enviro. Law Enforcement	.3% of total gas tax revenue; approx. \$1.6 million	Environmental law enforcement; boat safety; education; boat registration & titling	Yes	Yes	100%	5% / None	No/None
MD , Col. John Rhoads, DNR, Nat'l Res. Police	.3% of total gas tax revenue; approx. \$1.5 million	Boating facilities; waterway improvement, navaid, dredging	Yes	Yes	100%	5% / Yes, 100%	No/None
ME , Vesta Billing, Dir. of Lic. & Reg., Dept. of Inlnd Fshrs & Wildf	None	NA	NA	None	100%, approx \$885,000; 25% to Dept. of Marine Resources (freshwater)	6%, None	Yes/None

State and Contact	Gas tax revenue rec'vd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
MI , Lt. Lyle Belknap, BLA; DNR, Law Enforcement Div.	1.6% of total gas tax revenue; \$19 million	Michigan Waterways Fund (facilities)	Yes	None	100% of non-operational costs	6% / None	No/None
MN , Kim Elverum, BLA; DNR, Boat & Water Sfty. Coordinator	1.5% of total gas tax revenue, approx. \$7.5 million	Access, state prk. dvlpmnt, btg. & wtr. safety, lake imprvmnt	Yes	NA	100%, approx. \$3.2 million	6.5% + .5% (in some cities)/ None	No/None
MO , Col. Jerry Adams BLA; Dept. of Publ. Safety, MO St. Water Patrol.	No	NA	NA	\$3.9 million	None	4.225% / None	No/None
MS , Elizabeth Raymond, BLA; Dept. of Wildlife, Fisheries & Parks, Law Enforcement Div.	1.5% of gas tax revenue attributed to boating, approx \$50,000	Boating Involvement Fund (enforcement, education, etc.)	Yes	Yes. Money from general fund matches federal money	100% of non operational costs	7% / None	Yes/None
MT , John Ramsey, BLA; MT Fish, Wildlife & Parks, Law Enforcement Div.	.9% of total gas tax revenue	Facilities-access	Yes	Yes	50%	No sales tax	Yes/ 20%
NE , Herb Angell, BLA; NE Game & Parks Cmsn, Outdoor Ed. Div.	None	NA	NA	Yes, approx. \$164,000	No, money incl in general fund	4.5-6% / None	None
NV , Fred Messman, BLA; Div. of Wildlife, Law Enforcement Div.	Approx. \$3 million	50% for Enforcement of NV Boat Act; 50% for Div. of State Parks for facilities w/ water	Yes	None	50%, to boating program; other 50% includes personal prop tax to schools	6.5% + local / None	Yes/ No; personal property tax incl in boat reg. fee

State and Contact	Gas tax revenue rec'd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
NH , David T. Barrett, BLA; NH Dept. of Safety, Marine Patrol Div.	No	NA	NA	Yes, all state boating funds from general fund	Yes, as of July 1	No sales tax	No/None
NJ , Lt. Walter Schwatka, BLA; NJ State Police, Marine Services Unit	None	NA	NA	Yes, approx \$8 million	None	6% / None	No/None
NM , Jerome Madrid, BLA, Enrgy, Mnrls & Natr'l Res, Btg Sfty Sec.	13/100 of 1%, approx. \$200,000	Boating safety programs	Yes	None	100%, not mandated by state, approx. \$500,000	50% of 5% excise tax to boating program, approx. \$500,000	No/None
NY , Brian Kempf, BLA; Director, Bureau Marine & Rec. Vehicles	None	NA	NA	Yes, approx. \$2 million	\$2 million	4% + local/ None	No/None
NC , Capt. Mike Bogdanowicz NC Wildlife Resources Cmsn, Div. of Enforcement	1/6 of 1% of total gas tax revenue, approx. \$1.4 million	General boating programs	Yes	None	100%	3%, up to \$1500/ None	Yes/None
ND , Nancy Boldt, BLA; Boat and Water Safety Coordinator	\$2.50 per registered boat; in '00: \$112,970	General boating programs	Yes	None	100%	5% + local/ None	No/None
OH , Jeff Hoedt, BLA; DNR, Div. of Wtrcrft	1%, approx. \$13.8 million	Waterway Safety Fund (grants, cap. imprvmnt, boating access, education, dredging, marine ptrl); Boater Angler Fund (boating access construction projects)	Yes	None	100%, approx. \$5.5 million	5% + local/ none	No/None

State and Contact	Gas tax revenue rec'd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
OK , Lt. Bob Sanders, BLA; Dept. of Public Safety, Lake Patrol Div.	None	NA	NA	Yes, approx. \$2 million for personnel	None	3.25% / None	No/None
OR , Paul Donheffner, BLA; OR State Marine Board	\$5 million	General boating programs	Yes	None	100%	No sales tax	No/None
PA , John Simmons, BLA; PA Fish & Boat Cmsn, Bureau of Btg. & Ed.	\$0.12 x # of registered boats (~\$2.3 million). Based on ann. survey of boat gas consumption	General boating programs	Yes	None	100%	6% / None	No/ None
PR , Ms. Marisa Gonzalez, BLA; Dept. of Enviro & Natr'l Res, Ofc of Cmsnr of Navigation	None	NA	NA	None	100%, approx. \$500,000	6.6% local sales tax/ None	No/None
RI , Steven Hall, BLA; Dept. of Enviro. Mgmt.	None	NA	NA	Yes	100%	No sales tax on boats	No (exc. Westerly)/None
SC , Maj. Alvin Taylor, BLA; Tony Bates, Comptroller, DNR	1% of \$.13 state gas tax, approx. \$2.8 million	Non-operational money distributed to county boating programs	Yes	None	100%	5% up to \$300/ None	Yes/None
SD , Bill Shattuck, BLA; Dept. Game, Fish & Parks, Div. of Wildlife	2/5 of 1% of total gas tax revenue; approx. \$400,000	General boating programs	Yes	None	100%	3% + local/ None	No/None
TN , Ed Carter, BLA; TN Wildlife Resource Agcy, Boating Div.	< 1% of total gas tax revenue; approx. \$400,000	Boating General Fund (general boating programs)	Yes	None	100%; approx. \$3.25 million	6% + local (1.75-2.75%)/ None	No/None

State and Contact	Gas tax revenue rec'd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
TX , Dennis Johnston, BLA, Parks & Wildlf Dept., Law Enf. Div.	Unclaimed mtrbt fuel tax (based on % attrib. to btg), approx. \$14.34 million	Any TX Parks & Wildlife Dept. program	Yes, appropriate by legis. each session.	None	100%, approx. \$14.4 million	6.25%/ TPWD retains 5%, approx. \$1 million	No/None
U.S.V.I. , Lucia Roberts Francis, BLA; Dept. of Plng & Natr'l Res., Div. of Enviro Enf.	None	NA	NA	Matching fund money for Wallop-Breaux	None	No sales tax on boats	No/None
UT , Ted Woolley, Boating Coordinator, Div. of Parks & Rec.	No. boats x \$0.245/gal x No. gallons (155/boat); approx. \$2.72 million	Boating facilities, boater education, enforcement	Yes	None	80%, \$8/boat	4.75% + local (1-2%) / None	No/None
VT , Alan Buck, BLA; VT State Police, Marine Div.	None	NA	NA	None	15%, approx. \$105-120,000	5% / None	No/None
VA , Charles Sledd, BLA; Dept. of Game & Inland Fisheries	None. Small % of tax refunded to comm. wtrcft	Construction, reconstruction & maint. of State Hwy System, other purposes appr'vd by Gen. Assembly	Yes	None	100%	Yes. 100%	Yes/None
WA , James Horan, BLA; Jim Eychaner, Intragcy Cmte for Otrd Rec.	Approx. 1.17% \$4 million split with local agencies	Facilities for motorboat recreation	Yes	\$150,000 / 2 years	Registration money > \$1.1 million to counties w/ appr'vd btg. programs	7-8.6%/ None	Yes/None
WI , John Lacenski, BLA; DNR, Div. of Law Enfrcmnt	State gas tax rate x # of registered boats x 1.4. Approx. \$11.1 million	Facil., admn, education, research, enforcement	No	None	100%, approx. \$2.5 million	5% + local/ None	No/None
WV , Lt. Col. Bill Daniel, BLA; DNR, Law Enforcement Section	None	NA	NA	None	50%	6% / None	Yes/None

State and Contact	Gas tax revenue rec'vd for state boating programs?	Programs gas tax money can be used for.	Gas tax revenue protected by law?	General fund money to boating program?	Boat registration fee to boating program?	Sales tax on boats?/ To boating program?	Personal property tax?/ To boating program?
WY, Russ Pollard, WY Game & Fish Dept.	None	NA	NA	None	Money goes to gnrl. game & fish fund; not spec. for boating	4% + local/ None	No/None