



News Release

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Contact: Roy Stearns
(916) 654-7538
(916) 799-1036

Off-Highway Fuel Tax Study Released **Findings Inconsistent with Growth of OHV Recreation and Need for Funding**

SACRAMENTO – California State Parks today released the State Fuel Tax Study and announced that further evaluation will be necessary because of the report's statistically questionable results. Despite the best efforts of researchers, with a nearly 17 point margin of error, the study contradicts the actual growth and funding needs of off-highway vehicle trends in California. While OHV recreation has grown by more than 112 percent since 2001, the survey suggests that funding should be cut by more than 50 percent.

Daphne Greene, Deputy Director of the State Parks' Off-Highway Motor Vehicle Recreation (OHMVR) Division said, "The data suggests we cut the program funding by more than half at a time when off-highway vehicle recreation is growing significantly. To do such a thing would be irresponsible and does not make sense to us. We think a closer examination of this report and how we fund the program is needed before we take any action."

The survey is supposed to be used to determine the level of funding for a major portion of the Off-Highway Motor Vehicle Recreation Program throughout California. In addition to support for the state's OHV parks, monies are used for environmental restoration and law enforcement. Because of the contradictory results, State Parks will continue to review and evaluate the survey as we move forward.

"In addition to our State OHV parks, we also provide grants to local and federal agencies to support off-highway vehicle opportunities, education and environmental protection, restoration and law enforcement throughout the State," added Greene, "and reducing funding would cut those efforts and that is not acceptable because the demand will not go away and is, in fact, increasing."

The findings in the study suggest the fuel tax funding of the program could be reduced from \$56.8 million to \$27.1 million, a reduction of more than \$29.7 million. With the findings inconsistent with the growth of the program, State Parks has concluded that a comprehensive evaluation of the basic methodology for how the program is funded in the first place must be undertaken.

Present day evidence of continued and explosive growth in the industry strongly suggests that the funding reductions presented in the latest survey will not work to sustain a viable OHV program at all need levels. For instance, annual off-highway vehicle registrations for non-street licensed vehicles have increased as follows:

- Annual registration for all Non-Street-Licensed Vehicles has gone from 479,178 in 2001 to 1,013,863 in 2006, an increase of **112 percent.** (Includes dirt bikes, ATVs, dune buggies, sand rails and miscellaneous vehicles, and snowmobiles.)
- Going back further, from 1980 to 2006, total Non-Street-Licensed Vehicle Registrations have increased **331 percent.**
- Visitation at the State Vehicle Recreational Areas has gone from 2.3 million in 2001 to 5.4 million in 2005, an increase of **135 percent.**

When one considers the above data and the demand level for the State Vehicular Recreation Areas and grant assistance for local, state and federal stakeholders for management of the recreational uses on public lands, one must ask if it makes sense to implement the survey and cut the funding to all concerned by more than 50 percent. The above data strongly suggests the premise for how the program was funded from the beginning is flawed and requires review. With the newest survey data, it is clear a continuation of the status quo would not keep pace with the significant growth in off-highway recreation demand and seriously differs from stakeholders' needs and expectations across the state.

Based on the new data and present recreational realities throughout the California, the OHMVR Division of State Parks believes the only prudent course of action at present is to call for a "time out" to begin an open and public process of examining the very premise of how this program is funded.

In the coming weeks and months, the OHMVR Division will be talking to all stakeholder groups and to elected officials to examine what courses of action should be taken. The goal will be to not act in haste, but rather, step back and begin a process of broadly examining how best to continue the funding of a program that was mandated through legislation in 1971 to meet the growing demand for well managed off-highway recreation balanced with environmental protection associated with off-highway use.

The survey -- Estimating the State Fuel Tax Paid on Gasoline Used in the Off-Highway Operation of Vehicles for Recreation -- was prepared for California State Parks by a research team led by Louis Browning, ICF International, San Francisco. The information on fuel use and off-highway recreational activity was obtained from telephone surveys of 15,000 randomly selected California households from July to December 2003 and written diaries kept by California vehicle owners from April 2004 to March 2005.

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