

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.



**455 Railroad Street PMB16
Elko, Nevada 89801**

RE: SB117

Mr. Chairman,

Members of the State Transportation Committee, thank you for the opportunity to comment on SB117. I am K. M. (Mike) Martsolf, President of Nevada United Four Wheelers Association.

Mr. Chairman, I must inform you and the Committee, that SB117 in the present form cannot and will not be supported by motorized off-highway users.

SB117 is "use" oriented by definition Sec.3.1.a Is used for recreational use

SB117 provides for the collection of a \$25.00 fee. It is unclear if the fee is a "one time", "annual" or "bi-annual" assessment.

SB117 does not provide for any of the collected fee to be returned to or benefit the OHV user. Motorized users consider this a Luxury Tax.

SB117 will create an additional deficit to the State of \$317,128.00 (2003/04) as presented in the SB117 Fiscal Note.

NUFWA finds that SB117 does require that all OHV vehicles apply for and receive a Nevada Certificate of Ownership (title). This requirement will close a large hole in the collection of sales tax. It will also put Nevada OHV dealers on equal terms with out of state dealers. Potential buyers cannot be enticed to purchase out of state for a tax- free purchase. It is estimated, Nevada will gain \$1,500,00.00 annually in previously uncollectible sales tax.

SB117 serves as a solid building block for an acceptable OHV legislation. The requirement of payment of sales tax and Certificate of Ownership (title) must be mandatory. However an acceptable definition of "Off-Highway Vehicle" must be achieved. Please consider the following amendment to NRS 482.

1. OFF-HIGHWAY VEHICLE is a land based

Motorized mechanical device, designed, constructed or manufactured by which any Person or property is or may be transported On natural terrain, to include without limitation, dirt, rock, snow, ice or terrain that has been altered or otherwise manipulated for specific off-highway use, including without limitation, off-highway vehicle parks.

- a. Exempt devices moved by human power or used exclusively on rails.
- b. Does not include construction equipment.
- c. Includes 2-3-4-6 wheeled ATV and motorcycles, dune buggies, hovercraft, not all-inclusive.

SB117 provides the Nevada Department of Motor Vehicle receives and process application for title. The requirements, process and procedure are set in NRS. Changes in administrative paper work are all that would be required.

REGISTRATION FEE will be charged on an annual basis. Registration fee will be collected and managed by the Nevada department of Motor Vehicle.

1. OHV vehicles will pay \$25.00 per year and receive a registration sticker to be placed on the OHV unit.

2. Licensed 4x4 and all wheel drive vehicles will be assessed an OHV fee of \$3.00 per year. This assessment will be disclosed on the registration certificate issued by the DMV upon registration or registration renewal.

This fee structure will generate approximately

- | | |
|--------------------------|----------------|
| 1. OHV registration | \$5,000,000.00 |
| 2. 4x4 & all-wheel drive | \$3,600,000.00 |

TOTAL annual	\$8,600,000.00
---------------------	-----------------------

Based on estimated 200,000 OHV units existing in Nevada. Licensed 4x4 & all-wheel drive estimate approximately 1.2 million units.

Fee revenue should be distributed as follows:

1. **General Fund @ \$5.00 per OHV unit,
\$1.00 per 4x4 & all-wheel drive unit**

TOTAL estimate	\$2,200,000.00
-----------------------	-----------------------

2. 5% taking to DMV for increase in demand for service.

TOTAL estimate	\$363,000.00
----------------	--------------

3. **Balance to OHV Grant Trust \$6,037,000.00**

Nevada Parks and Recreation shall administer an OHV State Grant Trust. Nevada State Parks shall create an OHV Division to administer the Nevada State OHV Grant Trust. The OHV division budget shall not exceed 10% of the Grant Trust. Except for the first year, up to 50% of the Grant Trust

- 1. ESTIMATED BUDGET \$603,700.00
- (2. First Year maximum \$1,207,400.00)
- 3. Balance forward to State Grant Trust**
\$5,433,300.00

The State Grant Trust Fund shall manage 50% of the funds forwarded to trust. The remainder 50% of the funds in Trust shall be distributed to the individual Counties of the state of Nevada proportionally to the number of registered OHV and 4x4 & all-wheel drive vehicles registered in the county. Funds transferred to each individual Nevada County shall be held in an OHV County Grant Trust and be administered by a member of the duly elected County Commission of that County.

- 1. Estimated Revenue to state OHV Grant Trust
\$2,716,650.00

2. Estimated Revenue to County OHV Grant
Trust

\$2,716,650.00

OHV Grant Trust Funds (State and County) shall only be used for the enhancement of the OHV motorized user. To assist in the maintenance, repair and development of OHV routes and trails. To purchase rights of way, easements, establish OHV staging, camping and picnicking areas without limitation directly associated with OHV use. All grant request should contain elements of multiple use management philosophy.

Mr. Chairman I am aware that this presentation was very basic and short. I am in hopes that you and the Transportation Committee Members realize, as motorized recreation does, the importance this self-sustaining and viable OHV Registration amendment proposal. This proposal satisfies the revenue concerns to the State and is self-supporting. It also provides for the protection of Nevada business by closing the out of state TAX FREE purchase of an OHV vehicle. The proposal also provides for the environment of the state of Nevada, by securing revenue (from the user) to enhance and maintain an environmentally responsible OHV trail system.

Thank You

K.M. (Mike) Martsolf