

Representative DeMar Bud Bowman proposes the following substitute bill:

1 **NONRESIDENT USER FEE FOR**
2 **OFF-HIGHWAY VEHICLE USERS**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: DeMar Bud Bowman**

6
7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Motor Vehicles Code and the School and Institutional Trust
10 Lands Management Act to amend off-highway vehicle registration and nonresident user
11 fees provisions.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ amends the snowmobile nonresident user fee to include all off-highway vehicles;
15 ▶ provides that all off-highway vehicles, not just snowmobiles, that are owned by
16 nonresidents and are displaying a Utah off-highway vehicle user fee decal are
17 exempt from registration;
18 ▶ eliminates the off-highway vehicle registration exemption for nonresidents;
19 ▶ provides that a portion of the off-highway vehicle user fee is distributed to the Utah
20 School and Institutional Trust Lands Administration as compensation for
21 management and impacts of off-highway vehicle on trust lands;
22 ▶ provides restrictions for use and distribution of revenues from the off-highway
23 vehicle user fee that is distributed to the Utah School and Institutional Trust Lands
24 Administration;
25 ▶ amends the funding provisions of the Land Grant Management Fund; and



26 ▶ makes technical changes.

27 **Monies Appropriated in this Bill:**

28 None

29 **Other Special Clauses:**

30 This bill takes effect on July 1, 2004.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **41-22-9**, as last amended by Chapter 30, Laws of Utah 2000

34 **41-22-35**, as enacted by Chapter 1, Laws of Utah 1999

35 **53C-3-101**, as last amended by Chapter 72, Laws of Utah 1997



37 *Be it enacted by the Legislature of the state of Utah:*

38 Section 1. Section **41-22-9** is amended to read:

39 **41-22-9. Vehicles exempt from registration.**

40 The following off-highway vehicles are exempt from the registration requirements of
41 this chapter:

42 (1) vehicles that are currently registered for highway use, have a valid motor vehicle
43 safety inspection sticker or certificate, and on which the required safety equipment has not been
44 subsequently modified;

45 ~~[(2) off-highway vehicles, except snowmobiles, that are not in the state more than 14~~
46 ~~days in any year and are owned by a nonresident;]~~

47 ~~[(3) snowmobiles]~~ (2) off-highway vehicles that are owned by a nonresident and that
48 are displaying a current annual [~~snowmobile~~] off-highway vehicle user fee decal in accordance
49 with Section 41-22-35;

50 ~~[(4)]~~ (3) off-highway vehicles sold by a dealer to a person who is not a resident of this
51 state;

52 ~~[(5)]~~ (4) off-highway implements of husbandry operated in the manner prescribed by
53 Subsections 41-22-5.5(3) through (5); and

54 ~~[(6)]~~ (5) new off-highway vehicles being transported to an off-highway vehicle
55 dealership by the dealer, employee of the dealership, or agent for the dealership.

56 Section 2. Section **41-22-35** is amended to read:

57 **41-22-35. Off-highway vehicle user fee -- Decal -- Agents -- Penalty for fraudulent**
58 **issuance of decal -- Deposit and use of fee revenue.**

59 (1) (a) Except as provided in Subsection (1)(b), any nonresident owning [~~a~~
60 ~~snowmobile~~] an off-highway vehicle who operates or gives another person permission to
61 operate the [~~snowmobile~~] off-highway vehicle on any public land, trail, street, or highway in
62 this state shall pay an annual [~~snowmobile~~] off-highway vehicle user fee.

63 (b) [~~A snowmobile~~] An off-highway vehicle registered in a state that offers reciprocal
64 operating privileges to Utah residents pursuant to rules [~~of~~] made by the board is exempt from
65 the annual [~~snowmobile~~] off-highway vehicle user fee.

66 (2) The [~~snowmobile~~] off-highway vehicle user fee [~~shall be~~] is \$30.

67 [~~(3) The board may establish procedures for the payment of snowmobile user fees by~~
68 ~~rule.~~]

69 [~~(4)~~] (3) The person paying the fee shall:

70 (a) receive a decal indicating the fee has been paid[~~. The decal shall be displayed on~~
71 ~~the snowmobile in accordance with rules of the board.~~]; and

72 (b) display the decal on the off-highway vehicle in accordance with rules made by the
73 board.

74 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
75 board may make rules establishing:

76 (a) procedures for:

77 (i) the payment of off-highway vehicle user fees; and

78 (ii) the display of a decal on an off-highway vehicle as required under Subsection (3);

79 and

80 (b) eligibility requirements for reciprocal operating privileges for out-of-state users.

81 (5) (a) [~~Snowmobile~~] Off-highway vehicle user fees may be collected by the division
82 or agents of the division.

83 (b) An agent shall retain 10% of all [~~snowmobile~~] off-highway vehicle user fees
84 collected.

85 (c) The division may require agents to obtain a bond in a reasonable amount.

86 (d) On or before the tenth day of each month, each agent shall:

87 (i) report all sales to the division; and

88 (ii) submit all [~~snowmobile~~] off-highway vehicle user fees collected less the
89 remuneration provided in Subsection (5)(b).

90 (e) (i) If an agent fails to pay the amount due, the division may assess a penalty of 20%
91 of the amount due.

92 (ii) Delinquent payments shall bear interest at the rate of 1% per month.

93 (iii) If the amount due is not paid because of bad faith or fraud, the division shall assess
94 a penalty of 100% of the total amount due together with interest.

95 (f) All fees collected by an agent, except the remuneration provided in Subsection
96 (5)(b), shall:

97 (i) be kept separate and apart from the private funds of the agent; and

98 (ii) belong to the state [~~of Utah~~].

99 (g) An agent may not issue [~~a snowmobile~~] an off-highway vehicle user fee decal to
100 any person unless the person furnishes evidence that the person is a nonresident.

101 (h) A violation of any provision of this Subsection (5) is a class B misdemeanor and
102 may be cause for revocation of the agent authorization.

103 (6) [~~Revenue~~] Except as provided under Subsection (7), revenue generated by
104 [~~snowmobile~~] off-highway vehicle user fees shall be:

105 (a) deposited in the Off-highway Vehicle Account created in Section 41-22-19; and

106 (b) used for the construction, improvement, operation, or maintenance of [~~snowmobile~~]
107 off-highway vehicle trails.

108 (7) (a) One dollar and 50 cents of the off-highway vehicle user fee established under
109 Subsection (2) shall be distributed to the Utah School and Institutional Trust Lands
110 Administration as compensation for management and impacts associated with off-highway
111 vehicle use of legally accessible lands within its jurisdiction as follows:

112 (i) two-thirds of the proceeds shall be directly deposited into the funds of the respective
113 beneficiaries proportionate to their land ownership throughout the state; and

114 (ii) one-third of the proceeds shall be deposited in the Land Grant Management Fund
115 created under Section 53C-3-101 to be used to:

116 (A) improve recreational opportunities on trust lands by constructing, improving,
117 maintaining, or perfecting access for off-highway vehicle trails; and

118 (B) mitigate impacts associated with off-highway vehicle use .

119 (b) (i) Any unused balance of the monies deposited under Subsection (7)(a)(ii)
120 exceeding \$250,000 at the end of each fiscal year shall be deposited in the Off-Highway
121 Vehicle Account under Section 41-22-19.

122 Section 3. Section **53C-3-101** is amended to read:

123 **53C-3-101. Land Grant Management Fund -- Contents -- Use of monies.**

124 (1) (a) There is created an enterprise fund known as the Land Grant Management Fund.

125 (b) This fund shall consist of:

126 (i) all revenues derived from trust lands except revenues from the sale of those lands;

127 (ii) all interest earned by the fund; [~~and~~]

128 (iii) all revenues deposited in the fund in accordance with Section 41-22-35; and

129 [~~(iii)~~] (iv) all revenues obtained from other activities of the director or administration.

130 (2) The director may expend monies from the Land Grant Management Fund in
131 accordance with the approved budget for the support of director and administration activities.

132 (3) Any amount in excess of that required to fund the budget shall be distributed to the
133 various trust beneficiaries as of June 30 of each calendar year, and at other times determined by
134 the director, in shares equal to the portion of total Land Grant Management Fund revenues
135 obtained from each beneficiary's land during the accounting period.

136 (4) Money from the lease or rental of school trust lands or from the use, sale, or lease
137 of resources on school trust lands, all sums paid for fees, including grazing fees, and all
138 forfeitures or penalties received in connection with those transactions shall be deposited in the
139 Permanent State School Fund.

140 (5) Money from the lease or rental of lands acquired by the state for the benefit of an
141 institution named in Sections 7, 8, and 12 of the Utah Enabling Act, or from the use, sale, or
142 lease of renewable or nonrenewable resources on those lands, and all forfeitures or penalties
143 received in connection with those transactions, shall be distributed to the institution.

144 (6) Any remaining monies, including interest earned on the account, shall be
145 distributed in pro rata shares to the various beneficiaries.

146 Section 4. **Effective date.**

147 This bill takes effect on July 1, 2004.