

# Analysis of DNR Legislative Report

## Fiscal Year 2007 Boat Fee Revenues and Expenditures Report

Analysis by: Iowa Great Lakes Water Safety Council<sup>1</sup>

*February 1, 2008*

### **Introduction**

During the 2005 session the Iowa Legislature amended Iowa Code section 462A.52<sup>2</sup> to increase boat registration fees. As part of this amended law the legislature wanted to be sure that the new fees would be spent on water safety and fighting invasive species upon the inland waters of this state<sup>3</sup>. The legislature also wanted to be sure the funds that had been expended for fighting invasive species and water safety prior to July 1, 2005 were not reduced.

The legislation required the Department of Natural Resources to present a report to the legislature on how the money was spent with the first report due December 31, 2007. The boat fee revenue and expenditure report is to be submitted each year until 2013.

This report provides a careful analysis of the 2007 DNR report<sup>4</sup>.

### **Acknowledgement**

The 2005 boat registration fee increase<sup>5</sup> has made a positive impact on water safety across Iowa. Specifically - for the Iowa Great Lakes - during 2006 and 2007 the DNR replaced worn-out boats and motors used by the Lake Patrol. In addition, the number of summer Water Patrol Officers (WPOs) was more than doubled – from five (for the last 25 years) to eleven summer officers. This increase in the number officers has resulted in increased water safety and improved fighting of invasive species. In addition, there is now 24-hour Lake Patrol coverage that is critical to controlling the number of alcohol impaired boaters.

The DNR should be commended for recognizing that the Lake Patrol boats and motors should be on a three-year replacement cycle<sup>6</sup> rather than waiting until a motor or hull fails – usually in the middle of the summer when replacements are hard to find. The typical Lake Patrol boat has triple the annual engine hours compared to a pleasure boater due to the 24-hour operation. In addition, the DNR has recognized that longer boats (24 to 25-feet) are needed on West Okoboji, East Okoboji, and Sprit Lake due to the large wind waves. The longer boat provides greater officer safety during rescues during stormy conditions. The boat chop on East and West Okoboji are also factors that make the longer boat more practical for the Iowa Great Lakes.

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<sup>2</sup> Included as Appendix A

<sup>3</sup> There is nothing in the report to confirm that the boat fee registration increase was spent only on water safety and fighting invasive species on the inland waters.

<sup>4</sup> Report reviewed was revised January 8, 2008

<sup>5</sup> Iowa law 462A.52 enacted in 2005.

<sup>6</sup> Report page 11 – DNR Patrol Boats – second paragraph

# ANALYSIS

## MUCH HAS BEEN DONE – WORK REMAINS

The Water Safety Council is concerned the DNR has missed opportunities for the proper funding for water safety and fighting invasive species. Water Safety should receive top priority because of its ability to save lives and prevent injuries to boaters and other water users. Fighting the infestation of Aquatic Invasive Species is critical because once the invasive plants and animals are established, it is practically impossible to remove them. Last fall the Zebra Mussel population at Clear Lake – 100 miles from the Iowa Great Lakes – exploded.

According to the DNR report there was a total of \$4,065,394<sup>7</sup> available in 2007 from state and federal monies for water safety, fighting invasive species, and other authorized marine expenses. Also from the report a total of \$3,279,367<sup>8</sup> was spent by the DNR in fiscal year 2007. This has the result of not spending **\$786,027** on water safety, fighting invasive species, and other authorized marine expenses.

## BOAT REGISTRATION FEES

### **1. An evaluation of boat registration fee spending compared to the funds available**

According to the DNR report the annual increase in boat registration fees for fiscal 2007 was \$859,410<sup>9</sup>. Also from the report the DNR spent an additional \$671,822 in fiscal year 2007. This results in a under spending of \$187,588 for water safety and fighting invasive species that is required by Iowa law 462A.52.

### **2. Use of Funds Not Permitted by Iowa Law**

According to the DNR report (Page 16) an average of \$270,000<sup>10</sup> in boat registration fees was spent on boat ramps and associated parking lots. In the opinion of the Water Safety Council operating and maintaining boat ramps and parking lots is not a legitimate use of funds restricted by Iowa law 462A.52 to the: “**administration and enforcement of programs to control aquatic invasive species and for the administration and enforcement of navigation laws and water safety**”. Therefore, this misspent **\$270,000** should be spent annually on water safety and fighting aquatic invasive species.

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<sup>7</sup> Report page 3 – second paragraph – second line

<sup>8</sup> Report page 4 – Table 4

<sup>9</sup> Report page 3 – second paragraph – second line

<sup>10</sup> The amount expended was \$266,468 in FY06 and \$275,835 in FY07

### **3. Distribution of Resources across Iowa**

There are six Iowa DNR Law Enforcement districts. The distribution of lakes and rivers - and therefore boaters - is not uniform among the six districts<sup>11</sup>. In an August 2006 DNR analysis<sup>12</sup> of dock revenue the DNR estimated 67 percent of the dock, hoist, and slip revenue would come from the NW Iowa District (District 1). Although this district includes Sioux City, Storm Lake, North Twin, and Black Hawk Lake, the vast majority of the boat activity in the district is on the Iowa Great Lakes.

In fiscal 2007 the NW Iowa Law Enforcement District received \$222,520<sup>13</sup> for water safety and fighting invasive species. With \$3,279,367<sup>14</sup> spent for water safety and fighting invasive species – the NW Iowa district received 7 percent of the available funds.

### **IOWA GREAT LAKES**

The chain of lakes representing the Iowa Great Lakes presents a unique water safety and law enforcement challenge when one considers:

- 1) The combined Iowa Great Lakes are the largest waterway in Iowa,
- 2) The IGL attracts one million visitors a year with many of those visitors taking advantage of the water resources for boating, fishing, sailing, swimming, skiing, wake boarding, etc.,
- 3) The boats are larger and faster,
- 4) There are more bars on the water than any other waterway in Iowa.

Based on the DNR's own analysis and the unique water safety issues of the Iowa Great Lakes; it is the opinion of the Water Safety Council that the Iowa Great Lakes deserves special consideration when the use of boat registration funds are considered. It is not expected that the NW Iowa District would receive 67 percent of the water safety and fighting invasive species funding, but the funding should meet the needs of the Iowa Great Lakes.

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<sup>11</sup> The report is silent about the distribution of funds between the six districts. A uniform distribution of funds among six districts would mean each district would receive 16 percent of the funds.

<sup>12</sup> ANNUAL DOCK ADMINISTRATIVE COSTS and INCOME (Estimates for FY2007 by Lowell Joslin)

<sup>13</sup> NW Iowa District expenses for water safety \$134,480, new boat purchase \$62,000, Aquatic Invasive Species \$26,040

<sup>14</sup> Report page 3 – Table 3

## SUMMARY

Based on the DNR Report the Iowa Great Lakes Water Safety Council has three recommendations:

1. That the spending of the DNR on water safety and fighting invasive species be increased so that the spending complies with Iowa code 462A.52  
(\$187,588 in FY2007)
2. That boat registration fees only be spent on water safety and fighting invasive species as required by Iowa code 462A.52 – not on boat ramps and parking lots.  
(\$270,000 in FY2007)

**\$187,588 + \$270,000 = \$457,588 not properly spent**

3. That the Iowa Great Lakes receive all of the funding that is needed for water safety and fighting invasive species.  
(\$4,065,394 available from state and federal funds in FY2007)

## Appendix A

### **462A.52 FEES REMITTED TO COMMISSION.**

1. Within ten days after the end of each month, a county recorder shall remit to the commission all fees collected by the recorder during the previous month. Before May 10 of the registration period beginning May 1 of that year, a county recorder shall remit to the commission all unused license blanks for the previous registration period. All fees collected for the registration of vessels shall be forwarded by the commission to the treasurer of the state, who shall place the money in the state fish and game protection fund. The money so collected is appropriated to the commission solely for the administration and enforcement of navigation laws and water safety.

2. Notwithstanding subsection 1, any increase in revenues received on or after July 1, 2007, but on or before June 30, 2013, pursuant to this section as a result of fee increases pursuant to 2005 Acts, ch. 137, shall be used by the commission only for the administration and enforcement of programs to control aquatic invasive species and for the administration and enforcement of navigation laws and water safety upon the inland waters of this state and shall be used in addition to funds already being expended by the commission each year for these purposes. The commission shall not reduce the amount of other funds being expended on an annual basis for these purposes as of July 1, 2005, during the period of the appropriation provided for in this subsection.

3. The commission shall submit a written report to the general assembly by December 31, 2007, and by December 31 of each year thereafter through December 31, 2013, summarizing the activities of the department in administering and enforcing programs to control aquatic invasive species and administering and enforcing navigation laws and water safety upon the inland waters of the state. The report shall include information concerning the amount of revenues collected pursuant to this section as a result of fee increases pursuant to 2005 Acts, ch. 137, and how the revenues were expended. The report shall also include information concerning the amount and source of all other funds expended by the commission during the year for the purposes of administering and enforcing programs to control aquatic invasive species and administering and enforcing navigation laws and water safety upon the inland waters of the state and how the funds were expended.