

DEPARTMENT:

Natural Resources - Trails & Waterways

Office Memorandum

880534

TO: Senate Agriculture and Natural
Resources Committee (19 + 2)
Senate Finance Committee (25 + 2)
House Appropriations Committee (38 + 2)
House Environment and Natural Resources Committee (26 + 2)
Zona DeWitt, Legislative Reference Library (10)

DATE: February 12, 1986

FROM: Paul T. Swenson, Director
Trails and Waterways Unit

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SUBJECT: Status Report on All Terrain Vehicles

Attached please find the Legislatively required report entitled, "Growth Patterns, Registration and Safety Programs for All Terrain Vehicles." It provides an overview of three different aspects of this very popular trail use.

The report finds that even though annual sales over the past two years have declined (from 19,000 in 1983 to 11,400 in 1985) there are still large numbers of vehicles being used within the state. Further, the report finds that compliance with all terrain vehicle (ATV) registration requirements appear to be gaining momentum. After an initial flourish of activity during the first three months of the program, registrations waned throughout this past summer, only to pick up this past fall and winter. As of November 1985, 17,876 ATVs were registered. Finally, the report indicates that the ATV Safety Training Program administered by the Department of Natural Resources' (DNR) Division of Enforcement is fully operational.

The DNR has a keen interest in ATVs due to their implications for resource management. As you may know, legislation is also pending to: authorize an ATV grants-in-aid program similar to that provided for snowmobiles; refund .015 percent from the State's gas tax to pay for ATV programs; and, authorize the DNR to develop comprehensive rules and regulations to govern their use.

If you would like to discuss the report findings in greater detail or would like assistance in evaluating the merits of the pending legislation, please contact me.

PTS/DAC/jls

Attachment

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GROWTH PATTERNS, REGISTRATION AND SAFETY PROGRAMS
FOR
ALL TERRAIN VEHICLES

A report to the Legislature
pursuant to
Laws of Minnesota, 1984
Chapter 647, Section 10

Minnesota Department of Natural Resources
Trails and Waterways Unit
Trail Programs Section
500 Lafayette Road
Saint Paul, Minnesota 55146

January 1986

Pursuant to 1984 Laws, chapter 647
section 10(Rpt includes Exhibits)

PREFACE and INTRODUCTION

The issue of off-road vehicle recreation has emerged as a major issue facing resource management agencies. In response to demands for increased services to this user group, the 1984 Legislature initiated an All Terrain Vehicle (ATV) registration program (Laws of Minnesota, 1984, Chapter 647). An ATV is defined there as, "a motorized flotation-tired vehicle of not less than three low-pressure tires, but not more than six tires, that is limited in engine displacement of less than 800 cubic centimeters and total dry weight of less than 600 pounds." This legislation mandates a three year \$18.00 license fee for most ATVs, establishes a user safety program, provides for some ATV use opportunities, and mandates this report.

Sec. 10. REPORT ON VEHICLE REGISTRATION, PROGRAMS, AND USE.

By January 1, 1986, the commissioner shall report to the standing committees of each house of the legislature with jurisdiction over natural resources and appropriation matters on the number of vehicles registered under section 2, the implementation of the vehicle information and safety education and training program, and the growth patterns of vehicle use in the state.

At the present time the Legislature is also considering the authorization of a grants-in-aid program for ATVs, refunding .015 from the State's gas tax for ATV programs, and authorizing the Department of Natural Resources (DNR) to develop comprehensive rules and regulations to govern their use.

With time, and additional legislative authorization, the DNR will need to periodically evaluate the progress of ATVs as it relates to use, registration

processing and enforcement, environmental monitoring, plan development and implementation, maintenance, and user safety program effectiveness.

This report consists of three sections: an analysis of vehicle growth patterns; a discussion of vehicle registration trends; and, a report on the DNR ATV Safety Training Program.

A. GROWTH PATTERNS

According to figures provided by the Motorcycle Industry Council (MIC), 64,000 all terrain vehicles are presently in operation within Minnesota.^{1,2} This represents a 12 percent increase over the 1984 estimate of 57,000 and a 49 percent increase over the 1983 estimate of 43,000. As such, there continues to be a great deal of pressure by owners for facilities designed for the ATV enjoyment.

Interestingly enough, annual sales of these vehicles have apparently begun to trail off (Figure 1). Annual wholesale shipments to retail outlets in Minnesota hit their peak in 1983 when 19,000 vehicles were shipped. That compares with only 11,400 vehicles shipped in 1985. It appears that the initial heavy sales period that normally accompanies the introduction of a new

¹Phone communication with Ms. Pamela Amette, Researcher, Motorcycle Industry Council, January 23, 1986.

²On January 1, 1985, the DNR reported that there were approximately 92,000 ATVs in Minnesota. As you will notice, this is substantially more than reported by the MIC. Because this report's purpose is to document trends, it utilized the MIC figures because they provided comparable data for a number of years and they provided regional breakouts necessary in reviewing the current status of ATVs in Minnesota. Suffice to say the 92,000 vehicle projection was calculated utilizing professionally established methodologies necessary for deriving such an estimate. Further, there are some important differences in exactly what each projection represents. Those seeking more detailed information are referred to, "Three-Wheeled Off-Road Vehicle Gasoline Consumption in Minnesota," a January 1985 report by Environmental Resources Management-North Central, Bloomington, Minnesota, prepared for the DNR.

product is over. However, the possibility exists that sales have been negatively impacted by failure of the state to provide and promote use opportunities. Assuming the former is true, the annual shipment volumes reflect the future growth potential of ATVs.

Figure 1: Annual Wholesale ATV Shipments to Retail Outlets

	<u>MINNESOTA</u>	<u>WISCONSIN</u>	<u>IOWA</u>	<u>UNITED STATES OF AMERICA</u>
1980	6,000	2,800	2,700	136,000
1981	11,000	5,400	3,000	197,000
1982	14,000	9,800	5,200	306,000
1983	19,000	16,000	7,200	484,000
1984	16,000	15,000	7,500	650,000
1985	11,400	10,700	4,500	594,000

Source: Motorcycle Industry Council, January 1986.

This trend is very similar to what is being seen in Wisconsin, where 1983 marked the peak year of wholesale shipments. Another neighboring state, Iowa, has also seen shipments drop off. Wholesale shipments nationwide peaked in 1984 at 650,000 and last year dropped slightly to 594,000.

Regional sales trends within the state can be estimated by analyzing warranty registrations sent into the four largest ATV distributors (Honda, Kawasaki, Suzuki and Yamaha). These figures also include off-highway and dual-purpose motorcycles, however, ATVs constitute approximately 90 percent of all Minnesota sales.³

Within Minnesota more sales have occurred within Economic Development Region (EDR) 11 (seven county metropolitan area) than any other region (Figure 2). Thirty-two point six percent of all warranty registrations of ATVs, off-highway, and dual purpose motorcycles occurred there. At the opposite end

³To avoid confusion with license registrations, these warranty registrations are referred to as "sales" throughout the report.

of this spectrum is EDR 6W, which represented 1.5 percent of total statewide sales. Economic Development Region 3, which includes Duluth, amounted to 13.2 percent of all sales, while EDR 7W, which includes St. Cloud, and EDR 10 amounted to 8.3 percent each.

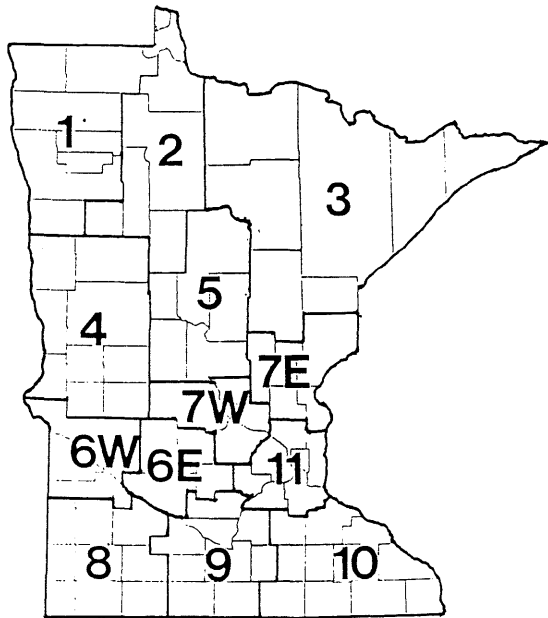


Figure 2: Population Distribution, Retail Sales and Vehicle Registrations by Economic Development Region Within Minnesota

<u>REGION (EDR)</u>	<u>PERCENT OF STATEWIDE POPULATION (1980)</u>	<u>PERCENT OF RETAIL SALES (Last 18 Months)</u>	<u>PERCENT OF VEHICLE REGISTRATIONS</u>
1	2.4	5.0	3.3
2	1.5	3.6	3.1
3	8.4	13.2	26.8
4	5.0	5.1	3.3
5	3.2	5.2	7.4
6E	2.6	4.2	2.5
6W	1.5	1.5	.4
7E	2.4	4.5	4.3
7W	5.4	8.3	11.6
8	3.3	3.2	.4
9	5.4	5.3	2.5
10	9.9	8.3	2.7
11	<u>48.7</u>	<u>32.6</u>	<u>31.7</u>
	100.0	100.0	100.0

Sources: - Retail sales based on warranty registrations for Honda, Kawasaki, Suzuki and Yamaha ATVs, off-highway, and dual-purpose motorcycles. Figures provided by the Motorcycle Industry Council, January 1986.
 - Registrations based on figures provided by the DNR Bureau of Licenses, January 1986.

Regional ATV sales do not correlate directly with population distribution. Although EDR 11 has 48.7 percent of the state's population, it only accounts for 32.6 percent of the sales. While the number of machines sold are never under represented per capita in outstate areas. Another trend, although much less dramatic, is that sales per capita are higher in the northern half of the state than the southern half.

These higher outstate sales ratios are likely a result of the inherent usefulness of the vehicles around the farm, in the woodlots, etc., and their closer proximity to the supply of public land for recreational use. Incidentally, this regional sales pattern may also in part explain the reduction of annual sales noted earlier due to failing economic conditions presently facing rural areas.

B. REGISTRATION OF VEHICLES

The DNR's Bureau of Licenses is authorized as the state's agent in the sale of the ATV licenses. As such, when an individual purchases a machine they are required to contact the Bureau of Licenses or one of the 162 Deputy Registrars statewide. The registration costs \$18.00 for three years.

Monthly registration figures have been tabulated since February 1985 (Figure 3). As can be seen, an early flourish of sales occurred during the first three months that the license requirement was in existence. By February 1985, 7,500 ATVs were registered. However, between May and September, new monthly registrations fell to below 1,000, bottoming out at 262 for August. Registrations have picked up again this fall with November's 1,809.

Figure 3: Minnesota All Terrain Vehicle Registration (Applications Received and Processed)

<u>ENDING LAST DAY OF</u>	<u>NEW REGISTRATIONS</u>	<u>TRANSFERS AND DUPLICATES</u>	<u>TOTAL REGISTRATIONS</u>	<u>CUMULATIVE REGISTRATIONS</u>
February 1985	7,500	1	7,501	7,501
March 1985	2,875	10	2,885	10,386
April 1985	1,767	21	1,788	12,174
May 1985	683	18	701	12,875
June 1985	447	18	465	13,340
July 1985	475	31	506	13,846
August 1985	262	28	290	14,136
September 1985	556	28	584	14,720
October 1985	1,251	45	1,296	16,016
November 1985	<u>1,809</u>	<u>51</u>	<u>1,860</u>	17,876
	17,625	220	17,876	

Source: Display Management Information Totals, December 18, 1985 (MN/DNR Bureau of Licenses).

As was discussed earlier, 64,000 vehicles are estimated to be in use in this state. That means approximately 46,000 machines remain unregistered. Assuming that 18 percent of the vehicles do not require registration because they are utilized exclusively for agricultural purposes, there are still almost 38,000 machines that remain to be registered.⁴

With the exceptions of EDRs 7E and 11, ATV registrations and sales are not correlated (Figure 2). In most regions, the amount of registrations are disproportionately low when compared with the distribution of statewide sales. However, in the EDR 3 just the opposite is true. Although only 13.2 percent of the sales have taken place in the region, it represents 26.8 percent of the total registrations in the state.

⁴"Three-Wheeled Off-Road Vehicle Gasoline Consumption in Minnesota," op. cit., pg. 3.

C. ATV SAFETY PROGRAM

When the ATV Law was passed, the Division of Enforcement was given the mandate to establish a course of training for the youth of Minnesota. To date, the Safety Training Section of the Division has initiated an instructional course consisting of a home study workbook, a written test and a mandatory driving skills test (see Appendix A). The written and skills test are administered by volunteer instructors, trained and certified by the Safety Training Specialists of this Division.

As of this date, 99 home study packets, costing \$5.00 each, have been sent out. There have been 107 volunteer instructors certified. An informational brochure has been sent to all County Sheriff's and Auditor's offices and the Division of Enforcement is in the process of sending information to school libraries.

Interest in this program has been slow in developing, but it is expected to increase with the coming of warmer weather and better driving conditions.

