State of California • The Natural Resources Agency
Gavin Newsom, *Governor*

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OHMVR COMMISSION MEETING
Tahoe, CA

August 6, 2026

STAFF REPORT: Off-Highway Vehicle Trust Fund Update

STAFF: Desiree Goyette, Manager I

SUBJECT: Fiscal Year 2026-27 Budget

Fiscal Year 2026-27 Off-Highway Vehicle Trust Fund Summary

Governor Gavin Newsom signed the Budget Act of 2026 on June 26, 2026, for the fiscal year (FY) 2026-27. Presented below is a summary of the spending authority appropriated from the Off-Highway Vehicle Trust Fund (OHVTF) for FY 2026-27:

State Operations	$	75,504,000
Local Assistance	$	30,000,000
Capital Outlay	$	5,758,000
Total	$	111,262,000

State Operations (Statewide OHV Operations)

The 2026-27 budget allocates $75,504,000 for State Operations, encompassing State Vehicular Recreation Areas (SVRAs), Division Headquarters, statewide projects, and administrative expenses. This funding covers labor and operational expenses, including service contracts and supplies necessary for SVRA operations.

While the Department is granted expenditure authority for State Operations by the Off-Highway Vehicle Trust Fund (OHVTF), the OHMVR Division strategically manages these funds to mitigate impacts on the fund balance by intentionally avoiding full expenditure each fiscal year. The Division works in close coordination with Department units and field districts to assess operational needs and allocate resources accordingly. Any unspent State Operations funds authorized from the OHVTF remain within the fund and are retained for future use, thereby supporting the fund’s long-term sustainability.

Additionally, all headquarters units and field districts adhere to the Tracking, Accountability, and Compliance (TAC) procedures implemented in 2017 as part of the departmentwide transformation. These procedures ensure that OHVTF funds are exclusively identified, tracked, and utilized for OHV recreational purposes rather than general park operations. The Division has refined and expanded these procedures, focusing on automating expenditure reconciliation and monthly compliance reporting. Efforts to enhance these processes will continue throughout the upcoming fiscal year.

Local Assistance - Grants and Cooperative Agreements

The Grants and Cooperative Agreements program is appropriated $30,000,000, consisting of a $1,000,000 transfer from the State Parks and Recreation Fund (SB-1) and $29,000,000 from the OHVTF.

The Grants and Cooperative Agreements program also manages a federal assistance program under the United States Federal Highway Administration – Department of Transportation. The Governors' budget allocates $9,000,000 in spending authority from the Recreational Trails Fund, of which the OHMVR Division Grants and Local Assistance program administers approximately $1,606,000 to support motorized recreation.

Capital Outlay

The 2026-27 budget allocates $5,758,000 for Capital Outlay projects:

> Statewide: OHV Opportunity Purchase – Acquisition, $5,000,000
>
> Pismo SB: Entrance Kiosk Replacement – Construction, $400,000
>
> Oceano Dunes SVRA: Le Sage Bridge Replacement – Working drawings, $225,000
>
> Hollister Hills SVRA: Entrance Kiosk – Working drawings, $133,000

Capital Outlay projects are implemented over multiple fiscal years based on established project schedules and milestones. While the 2026–27 Budget provides the expenditure authority for these projects, actual completion timelines may vary depending on project complexity, environmental compliance, permitting, design, procurement, and construction activities. If a project is not completed within the fiscal year, the remaining funding will be evaluated through the State's budget process and, as appropriate, reappropriated into the subsequent fiscal year to ensure project completion and continued progress.

Off-Highway Vehicle Trust Fund Revenue

Over the past five fiscal years, the OHVTF has generated an average of approximately $86.9 million in annual revenue. This revenue is derived from various sources, including the Motor Vehicle Fuel Tax (MVFT), State Beach and Park Services fees, Off-Highway Vehicle fees, concession fees, property and lease fees, and loan repayments.

OHVTF Revenue	
FY 2021	$81,361,000
FY 2022	$82,182,000
FY 2023	$89,351,000
FY 2024*	$91,321,000
FY 2025*	$90,089,000

**Estimated revenue. Final figures are not available until the accounting officially closes the fiscal year.*

In the preceding figures, the Motor Vehicle Fuel Tax (MVFT) revenue is the primary funding source for the Off-Highway Vehicle Trust Fund (OHVTF). Presented below are the net revenues from the MVFT, after accounting for transfers to the General Fund as mandated by Assembly Bill 95 and Revenue and Taxation Code Section 8352.6, for fiscal years 2021 through 2025:

Fiscal Year	Total MVFT
FY 2021-22	$ 58,716,000
FY 2022-23	$ 57,922,073
FY 2023-24	$ 62,203,000
FY 2024-25*	$ 63,694,000
FY 2025-26*	$ 64,004,000

**Estimated revenue. Final figures are not available until the accounting officially closes the fiscal year.*

The OHMVR Division remains vigilant in monitoring revenue trends. A key priority is to assess and address the potential impact of electric off-highway vehicles on revenue streams and the associated effects on fuel sales.

OHV Trust Fund Condition Statement

Over the past seven years fiscal years, expenditures have steadily increased outpacing total revenue, with a slight decline observed during fiscal year 2020-21 due to receiving SB-155 funds:

Fiscal Year	2019-20 (PY-5)	2020-21 PY-4)	2021-22 (PY-3)	2022-23 (PY-2)	2023-24 (PY-1)	2024-25***** (PY)	2025-26***** (CY)
Adjusted Beginning Balance	$208,104	$197,690	$160,990	$171,650	$163,752	$151,814	$138,263
Total Revenues, Transfers, And Other Adjustments	$75,270	$67,782	$81,361	$82,182	$89,351	$91,321	$90,089
Total Resources	$283,374	$265,472	$242,351	$253,833	$253,103	$243,135	$228,352

Total Expenditures and Expenditure Adjustments	$94,082	$108,746	$71,482	$103,331	$104,521	$104,872	$136,784
Fund Balance	**$189,292**	**$156,726**	**$170,869**	**$150,501**	**$148,582**	**$138,263**	**$91,568**

**Figures presented are estimates. Final figures will be available upon the official closure of the fiscal year accounting process.*

While revenues have remained relatively stable, spending fluctuations and overall expenditure growth must be closely monitored. To ensure the fund's long-term viability, the OHMVR Division team is seeking proactive steps to enhance revenue and control expenditures.

The Division is currently evaluating strategies to both increase OHVTF revenues and explore expenditure efficiencies that align operational needs and public recreational access.

Commission Action

For information only.