



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0150	Title:	Provide one free wolf license with game animal license
Primary Sponsor:	Edmunds, Champ	Status:	As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$52,976	\$52,976	\$52,976	\$52,976
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$433,045)	(\$433,045)	(\$433,045)	(\$433,045)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The creation of a free wolf license would result in the decrease of revenue and increase of expenses with a net loss of \$486,021 annually.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

- All wolf hunters would take advantage of the free license, as most of these hunters already purchase a different hunting license. For the hunters who don't already purchase another hunting license, it would be less expensive for them to purchase a game hunting license and then get the free wolf licenses.
- The total revenue for 2012 Wolf license sales was \$433,045.
 - Resident sales of 18,555 @ \$19 = \$352,545.
 - Nonresident sales of 230 @ \$350 = \$80,500.
- Section 87-1-625, MCA, requires FWP to allocate \$900,000 annually for wolf management. The earmarked revenue from the sale of wolf licenses is used to comply with statute. With the loss of this earmarked revenue source, the general license account will have to replace the funding.

4. FWP estimates that 90% of current resident and nonresident big game hunters would be issued wolf licenses.
 - a. Resident big game hunters: $(173,146 \times 90\% = 155,831)$
 - b. Nonresident big game hunters: $(34,590 \times 90\% = 31,131)$
 - c. Total wolf license issued: 186,962.
5. FWP would have an increase in expenditures for the commission paid on the free license to external providers. The increase in expenditures would be the new commissions on issuing the free license, less the current commissions issuing the paid license. 63% of licenses are issued by external providers.
 - a. New commissions of $186,962 \times 63\% \times \$.50 = \$58,893$
 - b. Old commissions of $18,785 \times 63\% \times \$.50 = \$5,917$
 - c. Net additional cost: \$52,976
6. If the number of wolves were to go below 200, FWP could charge for licenses, but there would no wolf season so no licenses would be sold.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	<u>\$52,976</u>	<u>\$52,976</u>	<u>\$52,976</u>	<u>\$52,976</u>
TOTAL Expenditures	<u>\$52,976</u>	<u>\$52,976</u>	<u>\$52,976</u>	<u>\$52,976</u>
<u>Funding of Expenditures:</u>				
General License Acct 02409	\$52,976	\$52,976	\$52,976	\$52,976
Wolf Management Acct 02409	(\$433,045)	(\$433,045)	(\$433,045)	(\$433,045)
General License Acct 02409	\$433,045	\$433,045	\$433,045	\$433,045
TOTAL Funding of Exp.	<u>\$52,976</u>	<u>\$52,976</u>	<u>\$52,976</u>	<u>\$52,976</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>(\$433,045)</u>	<u>(\$433,045)</u>	<u>(\$433,045)</u>	<u>(\$433,045)</u>
TOTAL Revenues	<u>(\$433,045)</u>	<u>(\$433,045)</u>	<u>(\$433,045)</u>	<u>(\$433,045)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$486,021)	(\$486,021)	(\$486,021)	(\$486,021)

Technical Notes:

1. The current wolf season has most areas open without a harvest quota, so the fact that the free wolf licenses cease when the wolf population hits 200 does not automatically shut down the season.

Sponsor's Initials

Date

Budget Director's Initials

Date