



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # HB0401

Title: Revising certain hunting license application fees

Primary Sponsor: Welborn, Jeffrey W

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> 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 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue | \$1,259,520 | \$1,259,520 | \$1,259,520 | \$1,259,520 |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: HB 401 will result in a net increase of bonus point fees and application fees collected by the Department of Fish, Wildlife & Parks of \$1,259,520 per year.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

Preference System

1. Due to the popularity of these permits, the number of people participating in the preference system (by selecting bonus points) for moose, sheep, and goat (MSG) would not change as a result of the passage of this bill.
2. Under current law, bonus point fees are paid on a per application basis. In LY 2012, 43,840 residents and 12,360 nonresidents participated. Actual bonus point fees collected for MSG were \$181,232.
3. HB 401 would require bonus points be paid on a per species basis. Assuming the same number of people will participate, the total fees for bonus points on a per species basis would be \$334,860. $(43,830 \times \$2 = \$87,660) + (12,360 \times \$20 = \$247,200) = \$334,860$. The total increase in bonus point fees for MSG would be \$153,628. $(\$334,860 - \$181,232)$.

4. The number of people selecting deer, elk, or antelope (DEA) bonus points would decrease by 33% if bonus points fees paid change from a per application basis to a per species basis. In LY 2012, 104,510 residents and 10,448 nonresidents participated; actual bonus point fees collected were \$130,940.
5. Assuming 67% of the people will pay for each bonus point, the total fees for bonus points on a per/species basis would be \$280,046. $(104,510 \times 67\% \times \$2 = \$140,043) + (10,448 \times 67\% \times \$20 = \$140,003) = \$280,046$. The total increase in bonus point fees for DEA would be \$149,106 $(\$280,046 - \$130,940)$.
6. Total bonus point increase would be \$302,734 $(\$149,106 + 153,628)$.

Application Fees

7. If HB 401 passes, FWP would no longer require full payment for the moose, sheep, and goat (MSG) licenses at the time of application. Instead, the department would collect the increased non-refundable application fees.
8. By not collecting the full license price up front, FWP would lose the interest earned on the MSG drawings. Interest was \$6,669 in 2012.
9. By charging only the application fee up front, FWP estimates an increase in the number of applications for Moose, Sheep and Goat of 10% for both residents and nonresidents.
10. In 2012, FWP had 45,463 resident and 12,539 nonresident MSG applications. A 10% increase would result in 50,009 $(45,463 \times 1.10\%)$ resident and 13,793 $(12,539 \times 1.10\%)$ nonresident applicants. Multiplying this by the application fees, FWP would generate a total of \$1,356,490 $(50,009 \times \$10 = \$500,090) + (13,793 \times \$50 = \$689,650) = \$1,189,740$.
11. The 2012 MSG drawing fees were \$290,010. The net gain in MSG drawing fees is \$899,730 $(\$1,189,740 - \$290,010)$.
12. FWP currently does not require full payment for bison licenses at the time of application. In 2012, FWP had 6,907 residents and 932 nonresidents applying for bison. Total drawing income was \$39,195. $(6,907 \times \$5 = \$34,535) + (932 \times \$5 = \$4,660) = \$39,195$.
13. Since FWP currently doesn't charge the license fee up front for bison, and with the new application fees being more expensive, the department assumes a decrease of 5% in the resident applications and a decrease of 20% in the nonresident ones. This would result in 6,562 $(.95 \times 6,907)$ resident and 746 $(.80 \times 932)$ nonresident applicants. Multiplying this by the application fees, FWP would generate a total of \$102,920 $(6,562 \times \$10 + 746 \times \$50)$.
14. The 2012 bison drawing fees were \$39,195. The net gain in bison drawing fees is \$63,725 $(\$102,920 - \$39,195)$.
15. Total increase in revenue would be:
 - a. the increase in bonus point fees = \$302,734
 - b. plus the increase in MSG drawing fees = \$899,730
 - c. plus the increase in bison drawing fees = \$63,725
 - d. less the interest earned on the MSG license fees (\$6,669)
 - e. for a total increase of \$1,259,520.

| | <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 | \$0 | \$0 | \$0 | \$0 |
| TOTAL Expenditures | \$0 | \$0 | \$0 | \$0 |
| <u>Funding of Expenditures:</u> | | | | |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |
| TOTAL Funding of Exp. | \$0 | \$0 | \$0 | \$0 |
| <u>Revenues:</u> | | | | |
| State Special Revenue (02) | \$1,259,520 | \$1,259,520 | \$1,259,520 | \$1,259,520 |
| TOTAL Revenues | \$1,259,520 | \$1,259,520 | \$1,259,520 | \$1,259,520 |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| State Special Revenue (02) | \$1,259,520 | \$1,259,520 | \$1,259,520 | \$1,259,520 |

Sponsor's Initials

Date

Budget Director's Initials

Date