



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill # SB0380

Title: Providing for nonresident hunting licenses in wilderness

Primary Sponsor: Vincent, Chas

Status: As Amended in Senate Committee

- | | | |
|---|--|--|
| <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</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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$137,625)	\$247,800	\$378,500	\$389,200
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: The Department of Fish, Wildlife and Parks (FWP) would realize a negative fiscal impact in FY 2014 but then positive revenue each year thereafter, due to sales exceeding the previous 17,000 cap on big game licenses.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

1. FWP has not sold more than 17,000 Class B-10 licenses in any one license year in the past two years.
2. Based on license sales trends for the Class B-10 licenses, FWP assumes demand will exceed the 17,000 cap in FY 2014. The following are the total number of applications estimated for FY 2013 through FY 2017.
 - a. FY 2013: 16,551
 - b. FY 2014: 17,047
 - c. FY 2015: 17,558
 - d. FY 2016: 18,086

- e. FY 2017: 18,628
3. SB 380 creates 1,200 wilderness licenses available for sale during FY 2014; 1,500 are available for sale beginning in FY 2015 through FY 2017. Per subsection (1)(b), these licenses are within the 17,000 cap.
 4. SB 380 also creates an additional 1,200/1,500 licenses if more than 17,000 applications are received in a given year. Per assumption #2, FWP assumes this will occur starting in FY 2014. Per assumption #3, 1,200/1,500 additional wilderness licenses will be available above the 17,000 cap.
 5. Class B-10 license prices increase annually based on the CPI. FWP assumes a 3% increase annually to all B-10 licenses.
 - a. FY 2014: General B-10 -- $\$944 \times 1.03 = \972 ; Wilderness B-10 -- $\$825$
 - b. FY 2015: General B-10 -- $\$972 \times 1.03 = \$1,001$; Wilderness B-10 -- $\$825 \times 1.03 = \850
 - c. FY 2016: General B-10 -- $\$1,001 \times 1.03 = \$1,031$; Wilderness B-10 -- $\$850 \times 1.03 = \875
 - d. FY 2017: General B-10 -- $\$1,031 \times 1.03 = \$1,062$; Wilderness B-10 -- $\$875 \times 1.03 = \901
 6. The additional licenses created by SB 380 (refer to assumption #4) will become available after the drawing from the March 15 deadline. FWP assumes the trigger will be determined from the March 15 deadline applications.
 7. Due to the cheaper price and wilderness hunting demand, FWP assumes that all of the 1,200/1,500 licenses within the 17,000 quota would be sold each year. Net revenue lost would be the difference in price of the General and Wilderness B-10 licenses times the number licenses issued.
 - a. FY 2014: $\$972 - \$825 = \$147$, $\$147 \times 1,200 = \$176,400$
 - b. FY 2015: $\$1,001 - \$850 = \$151$, $\$151 \times 1,500 = \$226,500$
 - c. FY 2016: $\$1,031 - \$875 = \$156$; $\$156 \times 1,500 = \$234,000$
 - d. FY 2017: $\$1,062 - \$901 = \$161$; $\$161 \times 1,500 = \$241,500$
 8. FWP assumes a finite number of nonresidents would purchase a wilderness license and estimates this number to be 2,200. So the number of additional Wilderness licenses issued (above the 17,000 part of the cap) would be lesser of the number of licenses over 17,000 or 2,200 minus the wilderness licenses already issued (1,200/1,500).
 - a. FY 2014: 47 licenses $\times \$825 = \$38,775$
 - b. FY 2015: 558 licenses $\times \$850 = \$474,300$
 - c. FY 2016: 700 licenses $\times \$875 = \$612,500$
 - d. FY 2017: 700 licenses $\times \$901 = \$630,700$
 9. Overall net revenue gain or loss would be the additional revenue of the licenses issued over the 17,000 quota, estimated in assumption #8, minus the loss due to the price difference listed in assumption #7.
 - a. FY 2014: $\$38,775 - \$176,400 = (\$137,625)$
 - b. FY 2015: $\$474,300 - \$226,500 = \$247,800$
 - c. FY 2016: $\$612,500 - \$234,000 = \$378,500$
 - d. FY 2017: $\$630,700 - \$241,500 = \$389,200$
 10. To follow the effects of this bill to the individual funding amounts, we need to know the amount to be put in to the Habitat Access Acquisition fund yearly from the Family Sponsor Licenses sales. Using the FY 2012 actual amount and assuming a 3% yearly increase we get:
 - a. FY 2012: $\$66,978$
 - b. FY 2013: $\$68,987$
 - c. FY 2014: $\$71,057$
 - d. FY 2015: $\$73,189$
 - e. FY 2016: $\$75,384$
 - f. FY 2017: $\$77,646$
 11. The effects on the individual funds for the general big game combination licenses would be a decrease of their actual amounts except for the general license fund which would be the net of the increase of its portion of the wilderness big game license less the general amount. The Habitat Access Acquisition fund would

increase by \$500,000 less the amount contributed from the Family Sponsor license sales from assumption

#10. The net effects based on assumption #9 by fund are:

- a. FY 2014
 - i. General License (\$28,764)
 - ii. Upland Game Bird Habitat (\$23,460)
 - iii. Upland Game Bird Planting (\$4,140)
 - iv. Wildlife Habitat Acquisitions (\$173,568)
 - v. Habitat Trust Interest O&M (\$22,368)
 - vi. Wildlife Habitat Trust (\$22,368)
 - vii. Hunting Access (\$291,600)
 - viii. Search and Rescue (\$300)
 - ix. Hunting Access Acquisition ($\$500,000 - \$71,057 = \$428,943$)
 - x. **Total = (\$137,625)**
- b. FY 2015
 - i. General License \$514,559
 - ii. Upland Game Bird Habitat (\$29,325)
 - iii. Upland Game Bird Planting (\$5,175)
 - iv. Wildlife Habitat Acquisitions (\$223,920)
 - v. Habitat Trust Interest O&M (\$29,700)
 - vi. Wildlife Habitat Trust (\$29,700)
 - vii. Hunting Access (\$375,375)
 - viii. Search and Rescue (\$375)
 - ix. Hunting Access Acquisition ($\$500,000 - \$73,189 = \$426,811$)
 - x. **Total = \$247,800**
- c. FY 2016
 - i. General License \$669,504
 - ii. Upland Game Bird Habitat (\$29,325)
 - iii. Upland Game Bird Planting (\$5,175)
 - iv. Wildlife Habitat Acquisitions (\$231,120)
 - v. Habitat Trust Interest O&M (\$31,500)
 - vi. Wildlife Habitat Trust (\$31,500)
 - vii. Hunting Access (\$386,625)
 - viii. Search and Rescue (\$375)
 - ix. Hunting Access Acquisition ($\$500,000 - \$75,384 = \$424,616$)
 - x. **Total = \$378,500**
- d. FY 2017
 - i. General License \$705,251
 - ii. Upland Game Bird Habitat (\$29,325)
 - iii. Upland Game Bird Planting (\$5,175)
 - iv. Wildlife Habitat Acquisitions (\$238,560)
 - v. Habitat Trust Interest O&M (\$33,360)
 - vi. Wildlife Habitat Trust (\$33,360)
 - vii. Hunting Access (\$398,250)
 - viii. Search and Rescue (\$375)
 - ix. Hunting Access Acquisition ($\$500,000 - \$77,646 = \$422,354$)
 - x. **Total = \$389,200**

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$137,625)	\$247,800	\$378,500	\$389,200
TOTAL Revenues	(\$137,625)	\$247,800	\$378,500	\$389,200
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$137,625)	\$247,800	\$378,500	\$389,200

Technical Notes:

1. FWP determined that the new wilderness B-10 big game combination licenses would change in price yearly in relation to the CPI-U as the other B-10 big game combination licenses do; this is a change from the original fiscal note.
2. The refund options in 87-2-511 (6), MCA, may apply to the new wilderness licenses. FWP did not take this into account, but it could change the individual account funding even further.

Sponsor's Initials

Date

Budget Director's Initials

Date