



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0505

Title: Revising laws re: issuance of elk licenses used on private lands

Primary Sponsor: Galt, Wylie

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 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 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	\$120,466	\$122,744	\$125,424	\$128,238
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 505 creates a landowner-sponsored nonresident elk-only combination license. This bill creates the option for a person who obtains a Class A-5 elk tag or an equivalent nonresident elk tag to purchase a single bonus point and receive an additional five elk species bonus points, providing the hunter meets specific criteria as further outlined in the bill. This bill will create some additional revenue to the general license account of the Department of Fish, Wildlife, and Parks.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife, and Parks

1. The department assumes no fiscal impact to the change in bonus points for hunters purchasing a Class A-5 elk tag or equivalent nonresident elk tag. Hunters purchasing these tags are already allowed the option to purchase a bonus point after they purchase their license. Regardless of how many hunters choose the option

- to only hunt antlerless elk and receive the five bonus points as outlined in this bill, there would be no additional cost to the hunter, and would not change their option to purchase one bonus point as the current law allows.
2. The department does not know how many landowners would sponsor a nonresident elk-only combination license-buyer.
 3. The department currently offers residents and nonresidents who own 640 acres or more of contiguous land, some of which is used by elk and in a hunting district where elk licenses are awarded, preference when applying for an elk license.
 4. In 2020, 500 landowners applied for an elk license and qualified for the landowner preference.
 5. The department assumes these 500 landowners may also wish to sponsor a nonresident elk hunter.
 6. The bill states that the land on which the sponsored nonresident wishes to hunt elk must also be in a hunting district where the sustainable elk population is at objective.
 7. In 2020, there were 172 elk hunting districts, 27 of which were at objective. That equals 16% (rounded) of the elk hunting districts.
 8. The department assumes this percentage will remain constant in FY 2022 through FY 2025.
 9. For this fiscal note the department is assuming these landowners to be located evenly throughout the state.
 10. Applying the percentage of elk hunting districts that are at the population objective to the total number of landowners, there are 80 landowners who may qualify to sponsor a nonresident elk-only combination license-buyer (500 landowners X 16% districts at objective, rounded).
 11. Of those 80 landowners, the department does not know how many nonresident elk hunters each landowner would choose to sponsor. The bill states a landowner could sponsor up to 10 license applicants.
 12. The department currently offers a landowner-sponsored nonresident deer combination license. These landowner sponsors must be residents and can sponsor up to 15 hunters each. In 2020, there were 199 resident landowners who sponsored 888 nonresident deer combination license applicants. That equals an average of 4.46 hunters sponsored per resident landowner.
 13. Applying that same average to landowners who would sponsor nonresidents applying for elk-only combination licenses, we get 357 nonresident hunters (80 landowners X 4.46 nonresident hunters per landowner, rounded).
 14. Because deer are more prevalent, and the price of deer licenses are lower than that of elk, the department assumes the number of nonresident hunters to be high. To adjust for this, the department assumes the ratio of nonresident elk-only combination license sales to that of deer combination license sales in 2020 will remain constant in subsequent years.
 15. In 2020, the department sold 13,462 nonresident deer combination licenses and 5,191 elk combination licenses. For every 1 nonresident elk combination license sold 2.59 nonresident deer combination licenses were sold.
 16. Applying this same ratio to that of the landowner-sponsored nonresident elk combination licenses, there would be 138 hunters (357 nonresident landowner-sponsored elk combination license applicants / 2.59 ratio of elk combination to deer combination licenses, rounded).
 17. The price of the elk combination licenses is adjusted annually by the increase in CPI. The CPI projections published in the report titled *An Update to the Economic Outlook: 2020 to 2030* (Congressional Budget Office, 2020, page 3) were used to estimate the change in price for FY 2022 through 2025. See the following tables for the CPI price adjustment calculations for these assumptions:

Table 1:

Calendar Year	CPI Price Increase
2022	1.2%
2023	1.9%
2024	2.2%
2025	2.2%

Table 2:

License Type	2021 Price	CPI-Adjusted Price Projection			
		2022	2023	2024	2025
Nonresident Elk Combination	\$ 888	\$ 899	\$ 916	\$ 936	\$ 957

18. Assuming the estimated number of landowner-sponsored nonresident elk combination license buyers remains constant for all subsequent years, the following table shows the estimated revenue for FY 2022 through FY 2025.

Table 3:

License Type	Projected Revenue			
	FY 2022	FY 2023	FY 2024	FY 2025
Nonresident Elk-only Combination	\$ 120,466	\$ 122,744	\$ 125,424	\$ 128,238

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 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>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$120,466	\$122,744	\$125,424	\$128,238
TOTAL Revenues	\$120,466	\$122,744	\$125,424	\$128,238
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$120,466	\$122,744	\$125,424	\$128,238

RWG
Sponsor's Initials

2/24/21
Date

KA
Budget Director's Initials

2/23/21
Date