



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0637

Title: Generally revise fish, wildlife, and parks laws

Primary Sponsor: Berglee, Seth

Status: As Amended in Senate Committee

- 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 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Federal Special Revenue	\$0	\$850,000	\$850,000	\$850,000	\$850,000
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$5,472	\$5,388	\$5,276	\$5,136	\$4,996
Federal Special Revenue	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 637 revises several laws related to Fish, Wildlife & Parks (FWP). As the bill has been amended, there are three sections which have a fiscal impact: Section 2, Section 6, and Section 22. Section 2 increases the maximum payment a landowner who participates in a hunting access program from \$15,000 to \$17,500 per year. Section 6 changes current statute regarding the nonresident Class D-4 hound license; it reduces the price, increases the annual number of these licenses the department can sell, and adds the requirement for nonresidents hunting with aid of a dog or dogs who are not the handler of the dog or dogs to purchase a Class D-4 license. Section 22 creates statute that allows FWP to purchase pheasants to be released on state lands and establishes an appropriation for this activity.

FISCAL ANALYSIS

Assumptions:

1. The maximum payment a landowner who participates in a hunter access program under current law is \$15,000.
2. Landowners are paid \$13 per day per person who hunted on their property.
3. As amended, HB 637 increases the maximum payment per landowner to \$17,500 per year.

4. Based on FY 2021 landowners and hunter participation, the department assumes this increase would amount to a total program increase of approximately \$350,000 annually.
5. The bill allows for a federal special revenue appropriation of \$350,000 annually beginning FY 2022 for the implementation of the landowner payments.
6. Current statute allows nonresidents with a mountain lion hunting license to hunt with the aid of a dog or dogs with the purchase of a Class D-4 hound handler license. If the nonresident is hunting with an outfitter, they are not required to purchase the Class D-4 hound handler license.
7. HB 637 increases the number of Class D-4 licenses the department may sell annually from 35 to 50.
8. Contingent upon the passage of HB 468, this bill would add black bears to the list of animals which may be hunted with the aid of a dog or dogs, requiring nonresidents to purchase a Class D-4 hound license.
9. This bill changes the base price of a Class D-4 license from \$500 to \$250 and removes the CPI price adjustment.
10. This bill changes the name of the license from ‘Class D-4 hound handler license’, to ‘Class D-4 hound license.’ This would require nonresident hunters who are hunting with the aid of a dog or dogs who are not the handler of the dog or dogs to purchase the Class D-4 license.
11. This bill adds that nonresidents who are landowners with 640 contiguous acres are not required to purchase the Class D-4 hound license.
12. The department does not know how many current nonresident mountain lion hunters are hunting with the aid of a dog or dogs who are not the handler of the dog or dogs, and how many nonresident mountain lion hunters own 640 or more contiguous acres. The department also does not know how many nonresident black bear hunters would choose to hunt with the aid of a dog or dogs. Therefore, for the purposes of this fiscal note, the department assumes all 50 available Class D-4 licenses will sell in FY 2022 through FY 2025.
13. Current statute adjusts the price of these licenses by the annual change to the consumer price index, rounded down to the nearest even numbered amount. The price in 2021 is \$502. To determine the fiscal impact of removing the CPI price adjustment, the department used CPI projections published in the report titled *An Update to the Economic Outlook: 2020 to 2030* (Congressional Budget Office, 2020, page 3). See the below table for the CPI price adjustment calculation.

Table 1:

Calendar Year	CPI Price Increase	Price
2022	1.2%	\$508
2023	1.9%	\$516
2024	2.2%	\$526
2025	2.2%	\$536

14. The below table shows the estimated revenue for current statute, the proposed law, and the net revenue increase.

Table 2:

	D-4 Licenses (Q)	Revenue				
		2021	2022	2023	2024	2025
Current Law	14	\$ 7,028	\$ 7,112	\$ 7,224	\$ 7,364	\$ 7,504
Proposed Law	50	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
Net Revenue		\$ 5,472	\$ 5,388	\$ 5,276	\$ 5,136	\$ 4,996

15. Section 22 of this bill creates an appropriation for the purchase of pheasants to be released on state lands. The appropriation totals \$1 million, \$500,000 of which is from state special revenue and \$500,000 of which is from federal special revenue funds.

16. The department will develop an MOU with the Montana Correctional Enterprises (MCE) to establish a pheasant program.

	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>					
<u>Expenditures:</u>					
Operating Expenses	\$0	\$735,000	\$1,350,000	\$1,350,000	\$1,350,000
Equipment	\$0	\$615,000	\$0	\$0	\$0
TOTAL Expenditures	\$0	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000
<u>Funding of Expenditures:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Federal Special Revenue (03)	\$0	\$850,000	\$850,000	\$850,000	\$850,000
TOTAL Funding of Exp.	\$0	\$1,350,000	\$1,350,000	\$1,350,000	\$1,350,000
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$5,472	\$5,388	\$5,276	\$5,136	\$4,996
Federal Special Revenue (03)	\$0	\$0	\$0	\$0	\$0
TOTAL Revenues	\$5,472	\$5,388	\$5,276	\$5,136	\$4,996
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$5,472	(\$494,612)	(\$494,724)	(\$494,864)	(\$495,004)
Federal Special Revenue (03)	\$0	(\$850,000)	(\$850,000)	(\$850,000)	(\$850,000)

SMW

Sponsor's Initials

4/26/21

Date

KA

Budget Director's Initials

4-23-21

Date