



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** SB0143

**Title:** Generally revise laws re Class B-10 and Class B-11 elk and deer licenses

**Primary Sponsor:** Ellsworth, Jason W

**Status:** As Amended on the Senate Floor

- 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</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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$97,969	\$1,875	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$2,455,400	\$2,455,400	\$2,455,400	\$2,455,400
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 143, as amended on the Senate Floor, creates an early drawing of available B-10 and B-11 licenses, reserving 40% of these licenses. The early drawing application has a fee of \$300. Applications for the early drawing can be submitted between December 1 and December 31, and the drawing is to be held on January 15. The application fee is to be deposited into the wildlife habitat fund. The period in which persons applying for a Class B-10 or B-11 may purchase a preference point would be extended three months.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Fish, Wildlife, and Parks**

1. All fiscal impact assumptions are based on a license year, starting March 1.
2. The department assumes the quantity of licenses sold in subsequent years will be comparable to the actual quantity sold in 2020. The below table shows the number of licenses sold by license type in license year 2020.

	2020 Actual Sales (Quantity)	License Quota
B-10	16,785	17,000
B-11	6,600	6,600
<b>Grand Total</b>	<b>23,385</b>	<b>23,600</b>

3. While the bill does not prohibit persons applying for a Class B-10 or B-11 license early drawing from applying for preference points, it does make it unnecessary for a person to have preference points to be drawn for a license in the early drawing.
4. In 2020, 75% of total Class B-10 and B-11 applicants purchased a preference point. The department assumes the 75% of persons applying for the early drawing who did purchase preference points in the past would no longer purchase a preference point.
5. The department assumes the number of applicants for Class B-10 and B-11 licenses would be comparable to the distribution of sales for B-10 and B-11 licenses in 2020; in 2020, we sold 98.74% (16,785) of the available 17,000 B-10 licenses, and 100% (6,600) of the available 6,600 B-11 licenses.
6. The department does not know how many nonresident hunters would apply for the early drawing of Class B-10 and B-11 licenses, so the department will assume that the number of early drawing applicants will match that of the number of available early drawing licenses. Therefore, of those 16,785 B-10 license sales, 40% would apply for a limited outfitted license, or 6,714. Of those 6,600 B-11 license sales, 40% would apply for a limited outfitted license, or 2,640.
7. The department would gain \$2,806,200 in early drawing license application fees (9,354 applicants \* \$300 application fee) annually and would lose \$350,800 in preference points these applicants would no longer purchase (75% \* 9,354 limited outfitted applicants, rounded \* \$50/preference point), annually.
8. If the department receives more applications than available early drawing licenses, the applicants who are unsuccessful in the early drawing would then be entered into the general drawing.
9. If the department receives fewer applications than available early drawing licenses, the remaining licenses would then be issued in the general drawing.
10. The bill allows the commission to increase the percentage of Class B-10 and B-11 licenses available for the early drawing to up to 50% of the quota based on participation in the previous year's early drawing.
11. The department does not know if the commission would increase the early drawing licenses available. For the purposes of this fiscal note, the department maintained 40%, therefore the number of applicants and revenue estimates for FY 2023 through FY 2025 may be low.
12. The revenue from the early drawing application fees would be deposited in the wildlife habitat fund. Any unobligated funds at fiscal year-end could then be used for the protection, preservation, management, and propagation of fish, game, fur-bearing animals, and game and nongame birds, as defined in 87-1-201(3), MCA.
13. Because this bill is effective December 1, 2021, the department will add an early drawing license to the current Automated Licensing System (ALS). This cannot be done with existing resources.
14. The department estimates FWP staff would spend 410 hours or more to develop this early drawing in the ALS system because the period for the early drawing application occurs on a new time schedule that differs from other licenses. The department estimates this to cost to be an additional \$96,094 in staff overtime during FY 2022.
15. The bill establishes the date for the early drawing will occur on January 15. No other existing license drawings occur on this date. In FY 2022 and FY 2023, January 15 occurs on a weekend outside of FWP staff regular working hours. When a drawing is held, this requires 9 staff to be present to monitor all aspects of the system including the drawing, the customer records, and the display of the results on the customer website MyFWP. The estimated cost for overtime for the 9 staff to conduct the drawing during FY 2022 and FY 2023 is estimated to be \$1,875 each year.

	<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>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	\$97,969	\$1,875	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$97,969</b>	<b>\$1,875</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$2,455,400	\$2,455,400	\$2,455,400	\$2,455,400
<b>TOTAL Revenues</b>	<b>\$2,455,400</b>	<b>\$2,455,400</b>	<b>\$2,455,400</b>	<b>\$2,455,400</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$2,455,400	\$2,455,400	\$2,455,400	\$2,455,400

**Technical Notes:**

1. Preference point statute states points are deleted when the license applied for is obtained. Hunters purchasing the first-come, first-served outfitter license would not need a preference point, but their existing points would be deleted when the license is purchased.

**NO SPONSOR SIGNATURE**

	3.29	KA	3-25-21
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>