

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6041
BILL NUMBER: SB 48

DATE PREPARED: Mar 12, 1999
BILL AMENDED: Mar 11, 1999

SUBJECT: Nonresident hunting and fishing license fees.

FISCAL ANALYST: Brian Tabor
PHONE NUMBER: 233-9456

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill increases nonresident hunting, trapping, and fishing license fees.

Effective Date: July 1, 1999.

Explanation of State Expenditures: The Department of Natural Resources (DNR) may experience some administrative expenses as a result of this bill, mostly related to public notification of the changes. The extent of any additional expenses is currently indeterminable, but it is possible that the Department could absorb these costs within its current budget.

Explanation of State Revenues: (Revised) The impact of the proposed fee increases is illustrated below. Revenue projections were made under the assumption that the number of licenses purchased for 1997 remains constant. The existing 1-day and 3-day nonresident licenses would be eliminated by this bill.

Revenue Generated from an Increase in Nonresident Hunting, Fishing, and Trapping License Fees					
Type of Nonresident License	Licenses Sold for 1997	Current Fee	Proposed Fee	Increase in Fee	Additional Revenue (Fee Increase X 1997 Licenses Sold)
Annual Fishing	40,498	\$15.75	\$24.75	\$9.00	\$364,482
Annual Hunting	3,192	\$40.75	\$60.75	\$20.00	\$63,840
Annual Trapping	29	\$76.75	\$117.75	\$41.00	\$1,189
7-day Fishing*	46,585	various	\$12.75	various	\$317,440

5-day Hunting	4,202	\$13.75	\$25.75	\$12.00	\$50,424
Annual Deer (guns and bows)	7,912	\$76.75	\$120.75	\$44.00	\$348,128
Annual Turkey	13,870	\$76.75	\$120.75	\$44.00	\$610,280
TOTAL	116,288	--	--	--	\$1,755,783

* Includes the 1997 number of 1-day, 3-day, and 7-day licenses sold in 1997 (this assumes those individuals wanting to fish even for one day would now purchase a 7-day license)

In FY 1998, the DNR collected over \$14 M from all licenses, user fees, and other miscellaneous sources. While the table above shows a projected annual impact of almost \$1.8 M, the actual amount realized could be less due to decreased demand. Individuals may respond to the higher fees by purchasing fewer licenses, which would result in less additional revenue than projected in the table above. In 1987, the gate entrance fee for state parks was raised from \$1.50 to \$2.00, or a 33% increase. In the year following this increase, annual daily vehicle attendance at state parks fell by 6%. Although it difficult to compare gate revenues for DNR properties from year to year due to the vagaries of weather, fuel prices, and other factors, the reduction in visitation may be related to the increased fee.

Based on the response of park visitors in 1987, an estimate of a 20% reduction in licenses purchased was chosen to project the fiscal impact. If the number of licenses purchased for 1999 was 20% less than in 1997, the additional revenue associated with the changes proposed in this bill would be roughly \$1.4 M. In subsequent years the decrease would possibly be offset by a return to nonresident license sales at or above 1997 levels.

Most fees collected from the sale of licenses are deposited in the Fish and Wildlife Fund which is used to finance the operations of the DNR's Division of Fish and Wildlife and the Division of Law Enforcement. The Game Bird Habitat Fund receives \$4.00 from each nonresident hunting license sold and \$40.00 from each nonresident deer license sold. The Deer Research Fund receives \$20.00 from each nonresident deer license sold. Aside from the anticipated increase in revenue to the Fish and Wildlife Fund, amounts deposited in other funds would not be affected.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources: Division of Fish and Wildlife, DNR, (317) 232-4080.