

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 137
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB137CS(RES)-DFG-DAS-04-02-15
Title: HUNTING, SPORT FISH, TRAPPING FEES
Sponsor: TALERICO
Requester: House Finance Committee

Department: Department of Fish and Game
Appropriation: Administration and Support
Allocation: Administrative Services
OMB Component Number: 479

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services							
Travel							
Services	12.4		41.4	43.4	45.3	47.2	49.1
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	12.4	0.0	41.4	43.4	45.3	47.2	49.1

Fund Source (Operating Only)

1005 GF/Prgm	0.6		2.0	2.0	2.0	2.0	2.0
1007 I/A Rcpts	11.8		39.4	41.4	43.3	45.2	47.1
Total	12.4	0.0	41.4	43.4	45.3	47.2	49.1

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	1,640.2		5,467.5	5,721.9	5,976.3	6,230.6	6,485.0
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

The House Resources Committee committee substitute adjusted the fee structure for hunting, fishing, trapping, big game tags, and waterfowl conservation tags. It increased the age in which a resident youth can still go without a hunting, trapping or fishing license from 16 to 18. It decreased the age of eligibility for a resident permanent identification card from 65 to 62 years of age.

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Approved By: Kevin Brooks, Deputy Commissioner
Agency: Commissioner's Office

Phone: (907)465-5999
Date: 04/02/2015 12:00 PM
Date: 04/02/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB 137

Analysis

HB 137 raises certain fees related to sport fishing, hunting, and trapping licenses, king salmon and waterfowl stamps, and nonresident big game tags. It also changes the resident youth license age from 16 to 18, senior license age from 60 to 62, establishes a fee for a new wildlife conservation decal, and changes the low income license eligibility by increasing the annual household income level from \$8,200 to \$29,820 and removes additional eligibility language related to welfare benefits.

This analysis shows an anticipated increase in revenue based on a 5-year average of actual sales from 2010 to 2014. While the department has done some analysis on purchasing trends following a price increase, buying behavior varies widely for each type of license sold. This analysis assumes a five percent adjustment in sales revenue in the first year to reflect a negative consumer response to the price increase, with sales recovering at a rate of one percent per year over the next five years.

The change in the low income household eligibility level will increase the number of qualified household members for the \$5 low income license. Statistics provided by the Department of Labor (DOL) show that at the current income threshold of \$8,200, there are 9,520 households that qualify for the \$5 low income license. Using this same DOL data shows that increasing the income threshold to \$29,820 will qualify roughly 47,000 households. There are a total of 251,899 households statewide and a population of 735,601 in Alaska, resulting in an average of 2.92 individuals per household.

Based on this calculation, 47,000 households represents a total of 137,240 individuals (47,000 x 2.92) that would potentially qualify for a low income license under the new threshold. License purchase trends tracked by the department show that roughly 24% of Alaska residents purchase a sport license. For the purpose of this fiscal note, we assume that 24% of the new qualified residents will now purchase the low income license. This results in a new total of 32,938 low income licenses, or an increase of 12,748 over the 5-year average of 20,180.

Per AS 16.05.110 all revenue derived from the sale of fishing, hunting, and trapping licenses and tags is deposited into the Fish and Game Fund. The additional revenue generated by the increased license fees and tags in this bill will provide a secure funding source for the core programs found within the Divisions of Wildlife Conservation and Sport Fish.

	Current Revenue	HB137 Changes	1st Year Revenue Change
Resident Sport Fishing (includes combos)	\$ 2,600.7	\$ 3,117.0	\$ 516.3
Resident King Salmon Stamp	\$ 611.5	\$ 823.9	\$ 212.4
Resident Hunting & Trapping (includes combos)	\$ 1,667.3	\$ 1,883.7	\$ 216.4
Youth Age change from 16 to 18	\$ 92.6	\$ (92.6)	\$ (92.6)
Senior Age change from 60 to 62	\$ -	\$ 106.6	\$ 106.6
Low Income change from \$8,200 to \$29,820	\$ 101.0	\$ (278.2)	\$ (278.2)
Resident License Total	\$ 5,073.1	\$ 5,560.4	\$ 680.9
Nonresident Sport Fishing (includes combos)	\$ 6,722.2	\$ 8,644.2	\$1,922.0
Nonresident King Salmon Stamp	\$ 1,951.8	\$ 2,781.2	\$ 829.5
Nonresident Hunting and Trapping (includes combos)	\$ 1,099.1	\$ 1,532.5	\$ 433.4
Nonresident Big Game Tags	\$ 3,740.0	\$ 5,284.6	\$1,544.6
Nonresident License Total	\$13,513.1	\$18,242.5	\$4,729.5
Waterfowl Stamp	\$ 52.3	\$ 99.4	\$ 47.1
Fish and Wildlife Conservation Decal (500@\$20)	\$ -	\$ 10.0	\$ 10.0
Total	\$18,638.5	\$23,912.3	\$5,467.5

(Res)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB 137

Analysis Continued

Total License Increase for Fishing in Year One \$ 3,232.7

Total License Increase for Hunting in Year One \$ 2,234.8

Additional costs will be incurred due to increased fees and new conservation decal.

First Year Expenses:

Credit card fees of 2.5% for 30% online revenue	\$ 39.4
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Postage/Envelops for decals	\$ 2.0
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Total Cost	\$ 41.4
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Expense Increase for Fishing/Conservation Decal	\$ 23.4
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Expense Increase for Hunting/Conservation Decal	\$ 18.0
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Retained vendor compensation of 5% commission on additional license revenue is estimated to be \$187,300, which is recorded as a budget supplemental at the end of the fiscal year.

Since licenses are sold on a calendar year basis, revenue and expenditures are pro-rated at 30% for FY2016 based on historical purchasing patterns.