

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: SB 48  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB048-DFG-DAS-04-02-15  
Title: FORMER RESIDENT HUNTING LICENSE  
Sponsor: STEDMAN  
Requester: Senate Resources 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	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services	9.0		18.0	27.0	36.0	36.0	36.0
Travel							
Services	0.7		1.5	2.2	3.0	3.0	3.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>9.7</b>	<b>0.0</b>	<b>19.5</b>	<b>29.2</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>

**Fund Source (Operating Only)**

1007 I/A Rcpts	9.7		19.5	29.2	39.0	39.0	39.0
<b>Total</b>	<b>9.7</b>	<b>0.0</b>	<b>19.5</b>	<b>29.2</b>	<b>39.0</b>	<b>39.0</b>	<b>39.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	***		***	***	***	***	***
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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? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial fiscal note.

Prepared By:	Michelle Kaelke, License Supervisor	Phone:	(907)465-6091
Division:	Administrative Services	Date:	04/02/2015 02:00 PM
Approved By:	Sunny Haight, Director	Date:	04/02/15
Agency:	Fish and Game		

**FISCAL NOTE ANALYSIS**

**STATE OF ALASKA  
2015 LEGISLATIVE SESSION**

**BILL NO. SB 48**

**Analysis**

Senate Bill 48 establishes a new 'come home to hunt or fish' license that allows qualifying nonresidents who were former Alaska residents to fish and/or hunt at a resident license rate and to purchase one big game tag at the resident rate. The bill sets a limit of 1,000 licenses for sport fishing, 1,000 licenses for hunting and 1,000 big game tags.

In evaluating the change in revenue there are many different variables to consider that rely on buying behavior, which is often unpredictable. For that reason the revenue change of this legislation cannot be accurately determined at this time.

The expense detail assumes that the new license would fall into the special license category, requiring the department to print and mail the license, as opposed to the current capability of residents printing their license at home when purchased online. We assume that the administration of this program would be similar to the current Permanent and Disabled Veteran licenses offered, and that additional administrative time would be needed to verify applicant's qualification and to issue and mail the special licenses. For the purpose of this fiscal note, we assume that the program would expand over time and that we would issue 250 licenses for both hunting and fishing in the first year, and 500, 750, and the maximum 1,000 licenses in the following years.

<u>Expense Detail</u>	<u>250 licenses</u>	<u>500 licenses</u>	<u>750 licenses</u>	<u>1,000 licenses</u>
Personal Services	\$9.0	\$18.0	\$27.0	\$36.0
<u>Services</u>	<u>\$0.7</u>	<u>\$ 1.5</u>	<u>\$ 2.2</u>	<u>\$ 3.0</u>
<b>Total</b>	<b>\$9.7</b>	<b>\$19.5</b>	<b>\$29.2</b>	<b>\$39.0</b>

Personal services includes additional Licensing staff time for a range 10 Office Assistant to verify applicant's qualification and to issue and mail the new license. Services include the actual cost to print and mail the licenses.

The department is unable to determine the number of new customers that will buy this class of license vs. the number of previous customers that will change their buying behavior and purchase this lower cost license instead of a nonresident license.

The table below shows the change in revenue under five different scenarios ranging from 1,000 new customers with an annual revenue of \$49,000, to 1,000 customers changing buying behavior with a revenue loss of \$458,757.

<u>Licenses Sold</u>	<u>1,000 New</u>	<u>750 New/250 Nonres. to Res.</u>	<u>500 New/500 Nonres. to Res.</u>	<u>250 New/750 Nonres. to Res.</u>	<u>1,000 Nonres. to Resident</u>
Fishing	\$24,000	(\$12,250)	(\$48,500)	(\$84,750)	(\$121,000)
Hunting	\$25,000	\$3,750	(\$17,500)	(\$38,750)	(\$60,000)
<u>Big Game Tags</u>	<u>-</u>	<u>(\$69,439)</u>	<u>(\$138,879)</u>	<u>(\$208,318)</u>	<u>(\$277,757)</u>
<b>Total Revenue</b>	<b>\$49,000</b>	<b>(\$77,939)</b>	<b>(\$204,879)</b>	<b>(\$331,818)</b>	<b>(\$485,757)</b>