

Fiscal Note

State of Alaska
2016 Legislative Session

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

Identifier: CASHB137-DFG-DAS-05-06-16
Title: HUNT/FISH/TRAP:
FEES;LICENSES;EXEMPTIONS
Sponsor: TALERICO
Requester: Conference Committee

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

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services	19.1		63.8	90.0	124.0	69.9	72.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	19.1	0.0	63.8	90.0	124.0	69.9	72.0

Fund Source (Operating Only)

1007 I/A Rcpts	19.1		63.8	90.0	124.0	69.9	72.0
Total	19.1	0.0	63.8	90.0	124.0	69.9	72.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	2,719.8		9,066.1	9,156.8	9,248.3	9,340.8	9,434.2
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

The Conference Committee deleted section 29 related to regulations adopted by the Board of Game, and added a new section regarding annual reporting requirements for the department. These changes have no affect on expenditures and revenues reported on this fiscal note.

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Approved By: Kevin Brooks, Deputy Commissioner
Agency: Fish and Game
Phone: (907)465-6077
Date: 05/06/2016 11:00 AM
Date: 05/06/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

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Analysis

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 within the Divisions of Wildlife Conservation and Sport Fish.

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, establishes an Intensive Management Surcharge on all hunting licenses, establishes a 3-year renewal process for senior licenses, establishes a fee for Chitina River personal use dipnet fishery, and establishes a fee for a new wildlife conservation decal. Revenue from the new Chitina dipnet fishery is based on an estimated 12,000 permits issued at \$15.

Changes were made to the low income license eligibility by increasing the annual household income level from \$8,200 to the most recent poverty guidelines set by the U.S. Department of Health and Human Services, and removes additional eligibility language related to welfare benefits for the low income license. Due to the uncertainty of customer buying behavior, this fiscal note does not include projections on changes for low income license revenue.

This analysis shows the 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.

	5 year Avg Revenue	HB 137 Revenue	Change in Revenue
Resident Sport Fishing (includes combos)	\$ 2,361.1	\$ 2,808.5	\$ 447.4
Redident King Salmon Stamp	\$ 613.5	\$ 613.5	\$ 0
Resident Chitna Dip Net	\$	\$ 180.0	\$ 180.0
Resident Hunting & Trapping (includes combos)	\$ 1,899.0	\$ 2,518.5	\$ 619.5
Resident Big Game Tags	\$ 164.0	\$ 164.0	\$ 0
Resident Intensive Management	\$	\$ 694.6	\$ 694.6
Youth Age change from 16 to 18	\$ 69.3	\$ 0	\$ (69.3)
Low Income change from \$8200 to \$29,820	\$ 100.9	\$ 100.9	\$ 0
Resident License Total	\$ 5,207.8	\$ 7,080.0	\$1,872.2
Nonresident Sport Fishing (includes combos)	\$ 6,722.2	\$ 8,910.9	\$2,188.7
Nonresident King Salmon Stamp	\$ 1,951.7	\$ 2,646.7	\$ 695.0
Nonresident Hunting and Trapping (includes combos)	\$ 1,099.2	\$ 1,619.7	\$ 520.5
Nonresident Intensive Management	\$	\$ 362.0	\$ 362.0
Nonresident Big Game Tags	\$ 3,739.9	\$ 7,105.3	\$3,365.4
Nonresident License Total	\$13,513.0	\$20,644.6	\$7,131.6
Waterfowl Stamp	\$ 52.3	\$ 104.6	\$ 52.3
Fish and Wildlife Conservation Decal (500@\$20)	\$ -	\$ 10.0	\$ 10.0
Total	\$18,773.1	\$27,839.2	\$ 9,066.1
Total License Increase for Fishing	\$ 3,476.4		
Total License Increase for Hunting	\$ 5,589.7		
Total:	\$ 9,066.1		

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FISCAL NOTE ANALYSIS

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Analysis Continued

Note: This analysis assumes a 95% revenue collection in the first year vs full potential increase, thus a \$9.1 million revenue increase in FY2018. Each year the percentage increases by 1% to the full potential increase in FY2023.

Since licenses are sold on a calendar year basis, revenue and expenditures are pro-rated at 30% for FY2017 based on historical purchasing patterns, thus a \$2.7 million revenue increase prediction.

EXPENSES:

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

Credit card fees of 2.5% for 30% online revenue	\$ 61.8
<u>Printing /mailing of conservation decals</u>	<u>\$ 2.0</u>
Total Cost	\$ 63.8

Expense Increase for Fishing	\$ 27.9
Expense Increase for Hunting/Wildlife Viewing	\$ 35.9

Retained vendor compensation of 5% commission on additional license revenue is estimated to be \$282,147, which is recorded as a budget supplemental at the end of the fiscal year.

Note: FY2019 and FY2020 have additional fees due to the outreach needed for the senior card renewal process.