

Fiscal Note

State of Alaska
2016 Legislative Session

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

Identifier: HB137CS(FIN)-DFG-DAS-2-25-16
Title: HUNT/FISH/TRAP:
FEES;LICENSES;EXEMPTIONS
Sponsor: TALERICO
Requester: House Finance 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				
	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services	19.9		66.6	92.9	128.1	73.0	75.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	19.9	0.0	66.6	92.9	128.1	73.0	75.0

Fund Source (Operating Only)

1005 GF/Prgm	0.6		2.0	2.0	2.0	2.0	2.0
1007 I/A Rcpts	19.3		64.6	90.9	126.1	71.0	73.0
Total	19.9	0.0	66.6	92.9	128.1	73.0	75.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	2,583.4		8,611.4	8,895.6	9,179.8	9,463.9	9,748.1
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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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Transferred to new form.

Prepared By: <u>Carol Petraborg, Director</u>	Phone: <u>(907)465-6077</u>
Division: <u>Administrative Services</u>	Date: <u>02/25/2016 04:00 PM</u>
Approved By: <u>Kevin Brooks, Deputy Commissioner</u>	Date: <u>02/25/16</u>
Agency: <u>Fish and Game</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB137

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 found 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, senior license age from 60 to 62, establishes a 3-year renewal process for senior licenses, 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 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.

In future years, when the Sport Fish Facility Surcharge funds, currently used to pay bonds for the construction of two fish hatcheries is paid off (estimated 2021-2022 depending on early redemption of bonds), funds will continue to be collected by automatically adding \$9 (current resident surcharge fee) to all fishing licenses.

In 2014 the department collected \$6.3 million in surcharge revenue. It is anticipated that the future \$9 license increase will generate \$3.8 million beginning the year after the bonds are paid off. The \$2.5 million loss is the reduction in nonresident fees as their license surcharge fees currently range from \$10 to \$45, depending on the license type.

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.

	Current Revenue	HB137 Changes	1st Year Revenue Change
Resident Sport Fishing (includes combos)	\$ 2,361.1	\$ 2,881.8	\$ 520.8
Resident King Salmon Stamp	\$ 611.5	\$ 871.4	\$ 259.9
Resident Hunting & Trapping (includes combos)	\$ 1,894.0	\$ 2,118.5	\$ 224.5
Youth Age change from 16 to 18	\$ 69.3	\$ (69.3)	\$ (69.3)
Senior Age change from 60 to 62	\$ -	\$ 105.8	\$ 105.8
Low Income change from \$8200 to \$29,820	\$ 100.9	\$ -	\$ -
Resident License Total	\$ 5,036.8	\$ 5,908.2	\$ 1,041.7
Nonresident Sport Fishing (includes combos)	\$ 6,722.2	\$ 8,903.7	\$ 2,181.5
Nonresident King Salmon Stamp	\$ 1,951.8	\$ 2,781.3	\$ 829.5
Nonresident Hunting and Trapping (includes combos)	\$ 1,099.1	\$ 1,635.7	\$ 536.5
Nonresident Big Game Tags	\$ 3,740.0	\$ 7,705.1	\$ 3,965.1
Nonresident License Total	\$13,513.1	\$21,025.8	\$ 7,512.6
Waterfowl Stamp	\$ 52.3	\$ 99.4	\$ 47.1
Fish and Wildlife Conservation Decal (500@\$20)	\$ -	\$ 10.0	\$ 10.0
Total	\$18,602.2	\$27,043.4	\$ 8,611.4

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB137

Analysis Continued

Total License Increase for Fishing in Year One \$ 3,815.6
Total License Increase for Hunting in Year One \$ 4,795.8

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	\$ 64.5
Postage/Envelops for decals	\$ 2.0
Total Cost	\$ 66.5

Expense Increase for Fishing	\$ 28.6
Expense Increase for Hunting/Wildlife Viewing	\$ 37.9

Retained vendor compensation of 5% commission on additional license revenue is estimated to be \$301.0, 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.