


Colorado Legislative Council Staff
STATE
FISCAL IMPACT
No State General Fund Impact

Drafting Number: LLS 04-0237
Prime Sponsor(s): Rep. Stengel

Date: January 24, 2004
Bill Status: House Agriculture
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING AN INCREASE IN WILDLIFE LICENSE FEES OTHER THAN NONRESIDENT BIG GAME LICENSE FEES, AND, IN CONNECTION THEREWITH, PROVIDING A REVENUE SOURCE FOR AND EXTENDING THE REPEAL DATE OF THE WILDLIFE MANAGEMENT PUBLIC EDUCATION ADVISORY COUNCIL.

Fiscal Impact Summary	FY 2004/2005	FY 2005/2006
State Revenues		
General Fund		
Cash Fund Exempt-Wildlife Cash Fund	\$1,729,677	\$9,974,595
Cash Fund Exempt-Wildlife Mgt. Pub. Ed. Cash Fund	\$448,460	\$1,319,500
State Expenditures		
General Fund		
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: None		
Effective Date: January 1, 2005, unless a referendum petition is filed.		
Appropriation Summary for FY 2004/2005: None		
Local Government Impact: None		

Summary of Legislation

This bill authorizes the Division of Wildlife within the Department of Natural Resources to raise wildlife hunting and fishing license fees by rule above the levels currently set in statute. This bill also eliminates the current provision that allows the division, in special instances, to sell licenses at prices below statutorily prescribed levels. Resident license fees are to be updated annually, based on the Bureau of Labor Statistics' Consumer Price Index. Currently, only non-resident license fees are required to be updated.

This bill also discontinues the current voluntary check-off option, which allows applicants to donate money, over and above the license fee, to the Wildlife Management Public Education Fund. Instead, this bill requires that a seventy-five cent surcharge be assessed on each hunting and fishing license. Surcharge revenues will be deposited in said fund.

Finally, the bill eliminates licensing authorization for licensing agents to accept donations on behalf of the division.

The bill extends the repeal of the authorization of the Wildlife Management Public Education Advisory Council from July 1, 2005 to July 1, 2009.

State Revenues

Pursuant to Section 2-2-322, C.R.S., which requires legislative service agency review of legislative measures which include the creation or increase of any fee collected by a state agency, the following analysis is provided.

License Fee Revenues. The provisions regarding the changes in the fee amounts for resident and non-resident hunting licenses contained in this bill will affect state cash exempt revenues to the Wildlife Cash Fund starting in FY 2004-05. The following assumptions apply to the proposed changes in both resident and non resident fees:

- that the new fees will take effect on January 1, 2005;
- that 50 percent of fishing licences, 50 percent of combo fishing and hunting licenses, 25 percent of small game hunting licenses and 0 percent of big game hunting licenses are sold between January and June of a given calendar year;
- that the number of resident and non-resident fishing licenses sold would increase by 20 percent per year, independent of any changes in fees;
- that there would be no similar price-independent growth in the number of resident and non-resident hunting licences;
- that price sensitivity will reduce the number of hunting and fishing licenses sold by the following amounts:
 - extra rod stamp (resident and non-resident), 40%
 - fishing 1-day and fishing annual (resident and non-resident), 20%
 - fishing annual (senior) and fishing/small game combo (resident), 20%
 - fishing 5-day (non-resident), 20%
 - small game hunting and small game 1-day (resident and non- resident), 30%
 - small game 5-day (non-resident), 30%
 - turkey (resident and non- resident), 15%
 - pronghorn, bear (fall) and deer (resident), 15%
 - bull elk (resident), 13%
 - mountain goat, moose, mountain lion, rocky mountain big horn sheep and desert big horn sheep (resident), 10%;
- that if a license is no longer offered, there is no substitution into other license categories; and
- additional revenues from the provision requiring resident fees to be adjusted according to the consumer price index (as non-resident fees currently are) are not included in this analysis.

Table 1 provides a summary of the current and proposed resident fees, the fee change, the projected number of licenses sold from January through June FY 2004-05 and the annual total for FY 2005-06, and associated net fee revenue increases.

Table 1 - Estimated License and Revenue Impact from Changes in Resident Hunting License Fees							
Type of Fee	Current Fee	Proposed Fee	Fee Change	FY 2004-05 Licenses*	FY 2004-05 Revenue Increase*	FY 2005-06 Licenses	FY 2005-06 Revenue Increase*
Extra Rod Stamp**	\$4	\$5	\$1	58,736	\$37,750	119,822	\$77,010
Fishing - 1 Day**	5	8	3	101,574	246,784	207,211	503,439
Fishing - 5 Days	18	NA	NA	0	(16,777)	0	(34,226)
Fishing - Annual	20	25	5	146,460	638,590	298,779	1,302,724
Fishing - Annual (Sr.)	10	10	0	14,416	2,827	29,409	5,767
Small Game Hunting	15	20	5	7,149	23,831	28,597	95,322
Small Game - 1 Day**	5	10	5	1,256	3,589	5,025	14,358
Small Game - 5 Days	20	NA	NA	0	(8,730)	0	(34,920)
Turkey	10	20	10	3,458	28,476	13,831	113,904
Fishing-SG Combo	30	40	10	36,564	310,329	74,590	633,072
Pronghorn	20	40	20	0	0	13,846	228,046
Bear (fall)	30	60	30	0	0	11,487	283,794
Deer	20	40	20	0	0	107,352	1,768,158
Elk (Bull)	30	60	30	0	0	119,779	3,056,429
Elk (Cow)	30	40	10	0	0	97,557	843,002
Mountain Goat	150	300	150	0	0	317	42,240
Moose	200	300	100	0	0	208	18,615
Mountain Lion	30	60	30	0	0	628	16,752
Rocky Mtn Big Horn	150	300	150	0	0	622	82,920
Desert Big Horn	200	300	100	0	0	11	1,020
Total				369,614	\$1,266,668	1,129,072	\$9,017,425

* FY 2004-05 license and net revenue totals reflect only licenses sold from January 2005 to June 2005.

** Licences in these categories include both residents and non-residents. Because the fees are the same, the division does not distinguish between the two in their license counts.

Table 2 provides a summary of the current and proposed non-resident fees, the fee change, and the projected change in number of licenses sold in FY 2004-05 and in FY 2005-06.

Table 2 - Estimated License and Revenue Impact from Changes in Non-Resident Hunting License Fees							
Type of Fee	Current Fee	Proposed Fee	Fee Change	FY 2004-05 Licenses*	FY 2004-05 Revenue Increase*	FY 2005-06 Licenses	FY 2005-06 Revenue Increase*
Fishing - 5 Days	\$18	\$30	\$12	29,693	\$286,181	60,574	\$583,809
Fishing - Annual	40	60	20	10,362	170,382	21,159	347,579
Small Game Hunting	40	50	10	718	4,850	2,871	19,400
Small Game - 5 Days	200	30	(170)	5	(649)	20	(2,598)
Turkey	75	100	25	107	2,245	427	8,980
Total				40,895	\$463,009	85,051	\$957,170

* FY 2004-05 license and net revenue totals reflect only licenses sold from January 2005 to June 2005.

In summary, the total cash fee exempt revenue increase to the Wildlife Cash Fund is estimated to be \$1,729,677 for FY 2004-05 and \$9,974,595 for FY 2005-06.

Since the Division of Wildlife is an enterprise, these revenues are exempt from state revenue limitations per the provisions of TABOR.

Check-Off Option/Surcharge. This bill eliminates the current voluntary check-off option, which allows applicants to donate money, over and above the license fee, to the Wildlife Management Public Education Fund. In FY 2003-04, licensees made voluntary contributions of \$68,500 to this fund. Because such donations are voluntary and thus not necessarily dependent upon the number of licensees, this fiscal note assumes a constant level of contributions for FY 2004-05 and FY 2005-06. Because 34 percent of licenses are sold in the first half of the calendar year, we assume only \$23,290 is lost for FY 2004-05. In FY 2005-06, the full \$68,500 is assumed to be lost.

The bill provides instead that a mandatory surcharge be made over and above the price off the hunting or fishing license. While the license fee changes discussed above affect only a portion of total licenses sold by the division, this surcharge would apply to all licenses sold by the division. It is assumed that a total of 629,000 licenses would be sold from January through June 2005 and 1,850,000 licenses will be sold in FY 2005-06. This provision would thus result in an additional \$471,750 in revenue in FY 2004-05 and \$1,387,500 in revenue in 2005-06.

The net impact of these two provisions would be a cash exempt revenue increase in the amount of \$448,460 for FY 2004-05 and \$1,319,000 for FY 2005-06 to the Wildlife Management Public Education Fund.

State Expenditures

This bill does not create any new or expand any existing programs.

State Appropriations

This fiscal note implies that the Department of Natural Resources, Division of Wildlife, would require no new appropriations for FY 2004-05.

Departments Contacted

Natural Resources