

Colorado Legislative Council Staff

STATE

REVISED FISCAL IMPACT

(replaces fiscal impact dated January 24, 2004)

No State General Fund Impact

Drafting Number: LLS 04-0237

Date: March 2, 2004

Prime Sponsor(s): Rep. Stengel
Sen. Teck

Bill Status: Senate 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	\$1,211,217	\$5,308,441
Cash Fund Exempt-Wildlife Mgt. Pub. Ed. Cash Fund	298,482	932,377
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 reengrossed bill authorizes the Division of Wildlife within the Department of Natural Resources to raise wildlife hunting and fishing license fees above the levels currently set in statute. 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.

The bill also requires the State Auditor, by December 1, 2009 and by every fifth anniversary of that date, to submit a report to the Legislative Audit Committee reviewing the Consumer Price Index adjustments made to these fees. This report is also required to include a summary of revenues received through the application of these fee adjustments over the previous five-year period.

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 the number of resident and non-resident fishing licenses sold would increase by two 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 licenses;
- 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;
- additional revenues from the provision requiring resident fees to be adjusted according to the consumer price index (as non-resident fees currently are) are included in this analysis. This index adjustment is assumed to be 2.5 percent annually; and
- that falconry licenses are possession licenses good for three years. All of the existing 225 resident license holders were just renewed, and these licenses will be valid until December 31, 2006. An average of seven new falconry licenses are issued annually. This fiscal note assumes three new falconry licenses in FY 2004-05 and seven new licenses in FY 2005-06 will be subject to the provisions of this bill.

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	58,737	\$25,127	117,783	\$53,335
Fishing - 1 Day**	5	8	3	101,574	160,118	204,238	332,275
Fishing - 5 Days	18	NA	NA	0	(15,227)	1,164	(30,759)
Fishing - Annual	20	25	5	146,460	531,879	294,859	1,137,620
Fishing - Annual (Sr.)	10	10	0	14,416	0	29,047	2,630
Small Game Hunting	15	20	5	7,149	21,449	28,518	87,548
Small Game - 1 Day**	5	10	5	1,256	2,440	4,998	9,788
Small Game - 5 Days	20	NA	NA	0	(8,206)	568	(32,825)
Turkey	10	20	10	3,269	25,576	13,047	103,293
Fishing-SG Combo	30	40	10	36,564	270,052	73,592	570,282
Pronghorn	20	40	20	0	0	7,639	118,270
Bear (fall)	30	50	20	0	0	8,844	137,073
Deer	20	30	10	0	0	65,433	504,372
Elk (Bull)	30	50	20	0	0	74,411	1,174,279
Elk (Cow)	30	40	10	0	0	77,942	619,639
Mountain Goat	150	300	150	0	0	162	21,168
Moose	200	300	100	0	0	106	9,024
Mountain Lion	30	50	20	0	0	1,419	24,083
Rocky Mtn Big Horn	150	300	150	0	0	313	40,866
Desert Big Horn	200	300	100	0	0	6	600
Falconry***	29.75	70	40.25	3	121	7	282
Total				369,428	\$1,013,329	1,004,093	\$4,882,843

* FY 2004-05 licence 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.

*** Falconry possession licenses are currently sold at a discount of \$89.25 for a three-year license.

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	29,694	\$41,115	59,689	\$85,113
Fishing - Annual	40	60	20	10,372	150,046	20,864	312,821
Small Game Hunting	40	50	10	718	4,508	2,864	18,522
Small Game - 5 Days	200	30	(170)	5	(630)	20	(2,518)
Turkey	75	100	25	139	2,849	556	11,660
Total				40,928	\$197,888	83,993	\$425,598

** FY 2004-05 licence 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 \$1,211,217 for FY 2004-05 and \$5,308,441 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 the vast majority of these donations occur during a three-month period in the spring, this fiscal note assumes the full \$68,500 will be lost in both FY 2004-05 and FY 2005-06.

The bill provides instead that a mandatory surcharge of seventy five cents (\$0.75) be assessed on all hunting and fishing licenses. 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 489,300 licenses would be sold from January through June 2005 and 1,334,503 licenses will be sold in FY 2005-06. This provision would thus result in an additional \$366,982 in revenue in FY 2004-05 and \$1,000,877 in revenue in 2005-06.

The net impact of these two provisions would be a cash exempt revenue increase in the amount of \$298,482 for FY 2004-05 and \$932,377 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