17.0730.01000

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Revised
Bill/Resolution No.: HB 1268

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	**Other Funds**	**General Fund**	**Other Funds**	**General Fund**	**Other Funds**
Revenues				$13,218,000		$(39,518,000)
Expenditures				$100,000		$0
Appropriations				$100,000		$0

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill creates a lifetime fishing license and the department to adopt rules necessary to determine eligibility and license fee. The bill would significantly reduce license sales revenue and could reduce federal revenue from USFWS.

   B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill would significantly reduce license sales revenue and could reduce federal revenue from the USFWS.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The bill would significantly reduce license sales revenue in the future. The Department currently has several types of resident fishing licenses. The estimate we used for the fiscal note is based on the average age of individuals who purchased a $16 resident fishing license for the 2015-16 license season. The average age is 36 years old and the life expectancy is 78 years based on actuarial life tables. The number of $16 resident fishing licenses sold for the 2015-16 license season was 60,913. Based on this, we estimated a NET potential loss of $23.7M from fishing licenses and $2.6M from the annual certificate fee sales. The total NET loss is $26.3M over the lifetime of the license holder.
Also, there would be a significant loss of non-resident (NR) license revenue when Residents purchase a lifetime license prior to moving out of state. This was not included in the above figures.
The earliest the proposed bill would take effect is the 2018 season. We do not know how many anglers would purchase the license in the first year. The first year we will collect the full amount of the revenue upfront for the lifetime license. The remaining years will be a loss of revenue. For simplicity, we showed the entire estimated loss of revenue in 2019-21 beinnium; even though the loss would be spread over countless future years. Since we don't know what year an angler would purchase the lifetime license we are unable to project with any certainty which year the loss would occur.
Lifetime licenses are an unpredictable future revenue source. It is also possible for the department to lose future

USFWS federal revenue by not being able to count lifetime licenses as an annual license. This potential loss was not estimated nor included in the above figures.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The proposed bill would require additional staff time and IT programming changes to the Game and Fish online licensing system. We would need to determine whether to sell the lifetime fishing license as a set fee for all ages or base it on age brackets which would add more complexity. In addition, each individual for each lifetime license will need to be flagged and tracked for life by annually renewing the license, which adds additional cost. We estimate the IT programming changes to cost the department approx. $100,000. It would take ITD a significant amount of time for these complex programming changes.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

This bill creates a one-time cost of $100,000 for IT programming changes.

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