Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2015 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **15-3329/1**	Introduction Number **SB-289**

Description
Back tag requirements

Fiscal Effect

State:

☐ No State Fiscal Effect
☒ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☐ Increase Existing Revenues
- ☒ Decrease Existing Revenues
- ☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
- ☒ Decrease Costs

Local:

☐ No Local Government Costs
☐ Indeterminate
1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory
5. Types of Local Government Units Affected
   - ☐ Towns ☐ Village ☐ Cities
   - ☐ Counties ☐ Others
   - ☐ School Districts ☐ WTCS Districts

Fund Sources Affected

☐ GPR ☐ FED ☐ PRO ☐ PRS ☒ SEG ☐ SEGS

Affected Ch. 20 Appropriations

Agency/Prepared By	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	10/15/2015

Fiscal Estimate Narratives

DNR 10/15/2015

LRB Number **15-3329/1**	Introduction Number **SB-289**	Estimate Type **Original**
Description Back tag requirements		

Assumptions Used in Arriving at Fiscal Estimate

The bill eliminates the requirement for the Department to issue a back tag with the sale of licenses authorizing the hunting of deer, elk, or bear. The bill also removes the reference to a back tag being part of a license. In addition, the bill eliminates the back tag number reservation system and associated fee.

A. Bureau of Customer & Outreach Services

Costs

Under this bill, the Department would not be required to print back tags when hunters purchased deer, bear, and elk hunting licenses. The cost of the durable valeron paper currently used in the licensing system is included in the $0.83 approval fee paid to our current license system vendor. In the past, however, the vendor has indicted the cost of the valeron paper is approximately $0.03/square. The Wisconsin back tag prints on two "squares" resulting in a cost of $0.06 per back tag. Assuming the Department issues approximately 900,000 approvals with back tags per year, the cost calculates to approximately $54,000 (900,000 licenses with back tags * $0.06 per license) per year to print back tags on durable valeron paper.

Eliminating the back tag reservation system would also result in administrative cost savings for the Department. Approximately 40 hours per year is spent on administration of the back tag number reservation system. Assuming average pay for a Natural Resources Program Specialist 1 @ $33.83 per hour for salary/fringe , the annual cost savings associated with not administering the back tag reservation system would be approximately $1,400 (40 hours * $33.83/hr.).

Revenues

Revenue from the $4.50 back tag reservation fee would decrease if back tag requirements were eliminated. The fee (s. 29.561, Wis. Stats.) applies when a hunter elects to reserve a specific back tag number. The average back tag reservation revenue generated annually from the last three fiscal years (2013-2015) is approximately $8,400 per year.

Since this bill would remove the back tag from the license product, hunters would not be required to purchase a duplicate when they lost their back tag. The average revenue gained from the sale of duplicate approvals in license years 2012 -2014 was approximately $98,000 per license year. However, not all duplicates were purchased for the sole reason of replacing the back tag portion of their approval and we are unable to differentiate the reason for the purchase of duplicate approvals. Assuming half of all duplicate approvals were sold for the sole reason of needing to replace a lost back tag, then an average of $49,000 per year ($98,000/2 = $49,000) in revenue would not be gained if the back tag requirement was eliminated.

Summary

In summary, the fiscal impact of this bill associated with issuing licenses, administering the back tag reservation system, and issuing duplicates would be a total cost reduction of $55,400 [$54,000 (printing costs savings) + $1,400 (back tag reservation system administration savings)] and a total revenue reduction of $57,400 [$8,400 (back tag reservation fees) + $49,000 (duplicate approval fees)]

B. Bureau of Law Enforcement

From the law enforcement perspective, a back tag number is occasionally a component of potential law violations either reported to law enforcement by citizens, or observed by law enforcement officers in the field. The potential violations may be related to hunting laws (enforced by state DNR wardens), trespass

violations (enforced by local law enforcement officers, such as sheriff's deputies), or other criminal acts. For investigations where a back tag number is included, law enforcement officers may be able to identify the suspect and close-out the investigation in a more efficient and consistent manner, as compared to investigations where the identity of the suspect remains unknown. For this reason, this bill will have an indeterminate impact on the expenditures of state and local law enforcement who may be required to spend more time investigating complaints where the identity of the suspect is no longer established by an observed back tag.

Under current law, the requirement to visibly display a back tag (for licenses that require it) creates an apparent deterrent for hunting without a license. Removal of the requirement to display a back tag may alter, indeterminately, the number of hunters that elect to comply with the hunting license requirements. Additionally then, the impact on license sales, as a function of compliance rates, is indeterminate.

Long-Range Fiscal Implications

Wisconsin Department of Administration
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Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description
Back tag requirements

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	**Annualized Fiscal Impact on funds from:**	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	$	$-54,000
(FTE Position Changes)		
State Operations - Other Costs		-1,400
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	**$**	**$-55,400**
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		-55,400

III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)

	Increased Rev	Decreased Rev
GPR Taxes	$	$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		-57,400
TOTAL State Revenues	**$**	**$-57,400**

NET ANNUALIZED FISCAL IMPACT

	State	Local
NET CHANGE IN COSTS	$-55,400	$
NET CHANGE IN REVENUE	$-57,400	$

Agency/Prepared By	**Authorized Signature**	**Date**
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