

ASSEMBLY SUBSTITUTE AMENDMENT 1
to ASSEMBLY BILL 61

- * The Assembly Natural Resources Committee passed AB 61 on a 9 to 1 vote
- * The Joint Committee on Finance passed Assembly Substitute Amendment 1 to AB 61 on a 13-0 vote
- * The full Assembly and Senate are expected to take up Assembly Substitute Amendment 1 to AB 61 on Tuesday, March 11, 1997

SUMMARY OF ASSEMBLY SUBSTITUTE AMENDMENT 1 TO AB 61

1. The 1997-1999 Fees are attached. The list includes the changes made by the Joint Committee on Finance (Decreasing the Patron License from \$120 to \$110 and increasing the Nonresident Deer and Archer licenses by \$5 and the Nonresident Fishing Annual and Fishing Four Day Licenses by \$1 to cover the decrease)
2. The Assembly Natural Resources Committee added a number of provisions dealing with the regulation of bear hunting. The Joint Finance Committee deleted or changed some of these. The changes included:

- *Deletion of the 21 day and specified area of the state for dog training provision
- *Allow bear hunters to just have the dog tag in their possession rather than on the dog
- *Mandate that bear hunters wear back tags
- *Allow bear shining for educational purposes

The majority of the regulatory changes made by the Assembly Natural Resources Committee remain in the bill.

3. The Joint Committee on Finance added these provisions to Assembly Substitute Amendment 1 to AB 61.

NEW PARTS OF BILL ADDED BY JOINT FINANCE COMMITTEE

- A. One Bonus deer tag would be given to farmers who wanted them in deer management units that had extra tags available.
- B. In the future, no Conservation Fund money could be used to retire licenses of commercial fishers
- C. The DNR will conduct a study of future alternative funding sources for the Conservation Fund and report to the Legislature by
January 1, 1998
- D. The DNR will report to the Legislature by September 1, 1997 on integration of private aquaculture with state fish propagation

**WISCONSIN DEPARTMENT OF NATURAL RESOURCES
1997-99 (AB 61)
PROPOSED FISHING & HUNTING LICENSE FEES**

** Price includes: Issuance fee of \$0.75/license and \$0.25/stamp; Wildlife Damage surcharge of \$1.00 applied to licenses asterisked (*), does not include \$3.00 processing fee for permits and wild turkey applications.

<u>LICENSE TYPE</u>	<u>TOTAL CURRENT PRICE</u>	<u>TOTAL PROPOSED PRICE</u>	<u>INCREASE OVER CURRENT</u>
FISHING			
Resident:			
Annual Individual	\$12.00	\$14.00	\$2.00
Husband and Wife	\$20.00	\$24.00	\$4.00
Youth	\$5.00	\$7.00	\$2.00
Two-day Sport	\$8.00	\$10.00	\$2.00
Nonresident:			
Annual Individual	\$28.00	\$34.00	\$6.00
Family Annual	\$48.00	\$52.00	\$4.00
15 Day Individual	\$18.00	\$20.00	\$2.00
4 Day Individual	\$13.00	\$15.00	\$2.00
15 Day Family	\$28.00	\$30.00	\$2.00
Duplicate	\$5.00	\$7.00	\$2.00
Disabled	\$7.00	\$7.00	\$0.00
Stamps:			
Trout (Inland)	\$7.25	\$7.25	\$0.00
Trout and Salmon (G.L.)	\$7.25	\$7.25	\$0.00
Senior Citizens	\$5.00	\$7.00	\$2.00
SPORTS LICENSES			
Nonresident Patron	\$524.00	\$575.00	\$51.00
Resident Patron	\$100.00	\$110.00	\$10.00
Resident Sports*	\$38.00	\$43.00	\$5.00
Nonresident Sports*	\$224.00	\$250.00	\$26.00
Duplicate Sports	\$7.25	\$11.00	\$3.75
Duplicate Sports (No Tags)	\$5.00	\$8.00	\$3.00
RESIDENT HUNTING			
Small Game*	\$12.00	\$14.00	\$2.00
Duplicate Small Game	\$5.00	\$7.00	\$2.00
Waterfowl Stamp	\$5.25	\$7.00	\$1.75
Deer*	\$18.00	\$20.00	\$2.00
Extra Deer Permit	\$12.00	\$12.00	\$0.00
Duplicate Deer	\$7.25	\$11.00	\$3.75
Class B Bear License (Pursuit)*	\$6.75	\$8.00	\$1.25
Class A Bear Lic (Harvest)*	\$30.00	\$41.00	\$11.00
Archer*	\$18.00	\$20.00	\$2.00
Duplicate Archer	\$7.25	\$11.00	\$3.75
Bong Pheasant	\$3.00	\$5.00	\$2.00
Wild Turkey Stamp	\$5.25	\$5.25	\$0.00
Wild Turkey License	\$8.00	\$11.00	\$3.00
Pheasant Stamp	\$7.25	\$7.25	\$0.00

1997-99
PROPOSED FISHING & HUNTING LICENSE FEES
(continued)

** Price includes: Issuance fee of \$0.75/license and \$0.25/stamp; Wildlife Damage surcharge of \$1.00 applied to licenses asterisked (*), does not include \$3.00 processing fee for permits and wild turkey applications.

<u>LICENSE TYPE</u>	<u>TOTAL CURRENT PRICE</u>	<u>TOTAL PROPOSED PRICE</u>	<u>INCREASE OVER CURRENT</u>
Trapping	\$15.00	\$18.00	\$3.00
Senior Citizen Small Game	\$5.00	\$7.00	\$2.00
Juvenile Small Game (12-17)	\$7.00	\$7.00	\$0.00
NONRESIDENT HUNTING			
Annual Small Game*	\$70.00	\$75.00	\$5.00
5 Day Small Game*	\$40.00	\$43.00	\$3.00
Deer*	\$120.00	\$135.00	\$15.00
Extra Deer Permit	\$20.00	\$20.00	\$0.00
Class B Bear License (Pursuit)*	\$21.75	\$97.00	\$75.25
Class A Bear Lic (Harvest)*	\$120.00	\$201.00	\$81.00
Archer*	\$120.00	\$135.00	\$15.00
Furbearing*	\$140.00	\$150.00	\$10.00
Wild Turkey License	\$50.00	\$55.00	\$5.00
COMMERCIAL LICENSES			
Resident Lake Michigan	\$750.00	\$900.00	\$150.00
Resident Lake Superior	\$750.00	\$900.00	\$150.00
Nonres. L. Michigan	\$5,600.00	\$6,500.00	\$900.00
Nonres. L. Superior	\$5,600.00	\$6,500.00	\$900.00

AB 61 as of 3/5/97



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

February 28, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 61

Attached is a paper, prepared by this office, on Assembly Bill 61. The bill has been scheduled for executive action by the Committee at 1:30 on Tuesday, March 4, 1996. The meeting will be held in the Joint Finance Room, 119 MLK Building (back of Senate chambers).

BL/lah
Attachment



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 4, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 61: Hunting and Fishing License Fees

On February 5, 1997, the Assembly Committee on Natural Resources recommended passage of Assembly Bill 61 (as amended by Assembly Amendment 2) on a vote of 9 to 1. The bill would provide a general hunting and fishing license fee increase and make a number of changes to the licensing system for bear hunting.

BACKGROUND

The Department of Natural Resources (DNR) charges statutory fees for certain hunting and fishing licenses. Revenue from the sales of these licenses is deposited into the fish and wildlife account of the conservation fund. The statutes, and certain federal requirements, provide that revenue from the sale of hunting and fishing licenses be used for fish and wildlife activities. Monies in the fish and wildlife account are used for fish and wildlife management and education, conservation law enforcement, wildlife damage programs, conservation aids and a portion of DNR administrative and support costs.

The table below provides a historical overview of the state revenues and expenditures in the fish and wildlife account and of DNR license sales. A general fee increase was included in the 1987-89 and the 1991-93 biennial budgets. Several new licenses, stamps, and fees were created between 1986-87 and 1995-96. The \$3 permit application fee and bonus deer permits were the most significant of these in terms of sales and revenues. (Approximately 576,000 permit applications brought in nearly \$1.6 million in revenue in 1995-96. In the same year, approximately 169,000 bonus deer permits produced over \$2 million.) These sales can be subtracted from the overall license sales from 1991-92 onward to make these figures more comparable over time. These adjusted figures are also presented in the table.

TABLE 1

Fish and Wildlife Account Revenues, Expenditures, and License Sales

	<u>Revenues</u>		<u>Expenditures</u>		<u>License Sales</u>		<u>Adj. License Sales</u>	
	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>	<u>Amount</u>	<u>% Change</u>
1986-87	\$33,330,200	--	\$36,051,000	--	2,685,400	--	2,685,400	--
1987-88	37,630,800	12.9%	38,136,800	5.8%	2,657,400	-1.0%	2,657,400	-1.0%
1988-89	38,628,000	2.6	39,937,400	4.7	2,551,000	-4.0	2,551,000	-4.0
1989-90	38,836,400	0.5	39,847,800	-0.2	2,565,400	0.6	2,565,400	0.6
1990-91	39,377,200	1.4	40,276,600	1.1	2,536,900	-1.1	2,536,900	-1.1
1991-92	47,601,800	20.9	44,116,500	9.5	3,179,200	25.3	2,563,300	1.0
1992-93	51,464,000	8.1	47,339,500	7.3	3,304,900	4.0	2,597,300	1.3
1993-94	47,298,800	-8.1	49,190,600	3.9	3,057,900	-7.5	2,589,000	-0.3
1994-95	49,652,800	5.0	51,215,100	4.1	3,213,400	5.1	2,577,700	-0.4
1995-96	51,724,000	4.2	50,249,400	-1.9	3,342,100	4.0	2,606,500	1.1

As shown in the table, when adjusted to remove the effect of the two major new fees, overall license sales volume has been relatively flat since 1986-87. This would indicate that the revenue growth that has occurred since 1986-87 is primarily a result of fee increases and the creation of new fees (such as the permit application fee and bonus deer permit) rather than from changes in the underlying demand for licenses. As shown in the table, growth in revenues and expenditures was not uniform. Annual changes in revenue over this period varied from an 8% decrease to a 21% increase. Annual changes in expenditures varied from a 2% decrease to a 10% increase.

The table reflects actual expenditures made in a given year. In some years budgeted levels may have been higher, with actual expenditures restrained by available revenues. For example, for 1995-96 DNR had budgeted expenditure authority of \$51.5 million, but actually spent \$50.2 million.

Hunting and fishing licenses vary according to: (a) the type of species that may be pursued; (b) the method of pursuit; (c) the number of people for whom the license is valid; and (d) the time period for which the license is valid. Combination licenses, such as the sports license and the conservation patron card, provide holders the privileges of several individual licenses.

Most licenses may be purchased directly from DNR or through county clerks and their agents, although certain licenses are only available through DNR. Issuance fees of 75¢ for licenses and 25¢ for stamps are included in the purchase price. Revenue from these issuance fees is divided between the selling agent (50¢ for a license and 15¢ for a stamp) and county clerks (25¢ for a license and 10¢ for a stamp).

A \$1 surcharge is also added to most types of hunting licenses to fund payments to counties and landowners under the wildlife damage abatement and claims programs. The

surcharge is currently added to the following licenses: (a) resident and nonresident deer; (b) resident and nonresident bear pursuit; (c) resident and nonresident archer; (d) resident and nonresident annual small game; (e) resident and nonresident sports; (f) nonresident five-day small game; and (g) nonresident furbearing animal hunting.

Under current law, the holder of a bear harvest license is authorized to shoot, kill and possess a bear. The holder of a bear pursuit license may pursue or bait a bear or train a dog on bear only if assisting a person who holds a bear harvest permit. A person who seeks a bear harvest permit must hold a bear pursuit license valid for the applicable bear hunting season and apply to DNR for a harvest permit. A preference system is currently used to limit the number of bear harvest licenses issued. Since the number of qualified applications for bear harvest permits exceeds the number of available harvest permits, DNR selects applicants based on a continuous preference system. The system gives preference to those applicants who applied for but did not receive a bear harvest permit in the previous season. The highest preference is given to those applicants who applied for but did not receive the permit in the most consecutive preceding seasons.

Currently, DNR is required to charge a \$3 application fee for the following permits (although the fee is not charged by DNR for conservation patron license holders): (a) hunter's choice deer hunting; (b) bonus deer hunting (with the fee waived if a person applies jointly for hunter's choice and bonus deer permits or if a person is applying for a second or subsequent bonus deer permit); (c) bobcat hunting and trapping; (d) otter trapping; (e) fisher trapping; (f) Canada goose hunting; (g) wild turkey hunting; and (h) sharp-tailed grouse hunting.

Under current law, a resident and nonresident conservation patron license allows the holder to pursue but not kill a bear. With a resident conservation patron license, DNR currently allows the holder to apply to hunt and trap bobcat without paying the \$3 application fee.

Under current law, a bear harvest permit is valid only for the area and season specified in the permit. Holders of bear harvest and bear pursuit licenses currently do not wear a back tag when hunting or pursuing bear. If dogs are used in hunting, they are exempt from wearing licensing and rabies vaccination tags on their collars when they are engaged in hunting.

SUMMARY OF BILL

Fee Provisions

Assembly Bill 61 would increase the fees for most of the hunting and fishing licenses issued by DNR. Resident hunting and fishing licenses would generally be increased by between \$1 to \$4, with larger increases for resident combination licenses. AB 61 would also impose a \$1 wildlife damage surcharge on the Class A bear (harvest) license and a \$2 wildlife damage surcharge on the resident and nonresident conservation patron licenses. Current and AB 61

hunting and fishing license fees are shown in the following table. Fees shown include the issuance fee and wildlife damage surcharge where applicable.

TABLE 2

Hunting and Fishing License Fees

	Current Fee	AB 61 Fee	Change Amount %			Current Fee	AB 61 Fee	Change Amount %	
Resident Hunting					Hunting Stamps				
Conservation Patron	\$100.75	\$120.00	\$19.25	19.1%	Pheasant	\$7.25	\$7.25	\$0.00	0.0%
Sports License	38.00	43.00	5.00	13.2	Waterfowl	5.25	7.00	1.75	33.3
Deer	18.00	20.00	2.00	11.1	Wild Turkey	5.25	5.25	0.00	0.0
Archer	18.00	20.00	2.00	11.1	Resident Fishing				
Bonus Deer Permit	12.00	12.00	0.00	0.0	Annual	\$12.00	\$14.00	\$2.00	16.7%
Class A Bear (Harvest)	30.75	41.00	10.25	33.3	Husband and Wife	20.00	24.00	4.00	20.0
Class B Bear (Pursuit)	6.75	8.00	1.25	18.5	Senior Annual	5.00	7.00	2.00	40.0
Small Game	12.00	14.00	2.00	16.7	Youth Annual	5.00	7.00	2.00	40.0
Youth Small Game	7.00	7.00	0.00	0.0	Disabled	7.00	7.00	0.00	0.0
Senior Small Game	5.00	7.00	2.00	40.0	Nonresident Fishing				
Wild Turkey	8.00	11.00	3.00	37.5	Individual:				
Trapping	15.00	18.00	3.00	20.0	Annual	\$28.00	\$33.00	\$5.00	17.9%
Nonresident Hunting					Fifteen Day	18.00	20.00	2.00	11.1
Conservation Patron	\$524.00	\$575.00	\$51.00	9.7%	Four Day	13.00	14.00	1.00	7.7
Sports License	224.00	250.00	26.00	11.6	Family:				
Deer	120.00	130.00	10.00	8.3	Annual	48.00	52.00	4.00	8.3
Archer	120.00	130.00	10.00	8.3	Fifteen Day	28.00	30.00	2.00	7.1
Bonus Deer Permit	20.00	20.00	0.00	0.0	Other Fishing				
Class A Bear (Harvest)	120.75	201.00	80.25	66.5	Two Day Great Lakes	\$8.00	\$10.00	\$2.00	25.0%
Class B Bear (Pursuit)	21.75	100.00	78.25	359.8	Duplicate Fishing	5.00	7.00	2.00	40.0
Annual Small Game	70.00	75.00	5.00	7.1	Sturgeon Spearing	10.00	10.00	0.00	0.0
Five Day Small Game	40.00	43.00	3.00	7.5	Fishing Stamps				
Wild Turkey	50.00	55.00	5.00	10.0	Inland Waters Trout	\$7.25	\$7.25	\$0.00	0.0%
Furbearing Animal	140.00	150.00	10.00	7.1	Great Lakes Trout & Salmon	7.25	7.25	0.00	0.0
Duplicate Hunting					Commercial Licenses				
Patron, Sports, or Archer:					Resident Great Lakes	\$750.00	\$900.00	\$150.00	20.0%
With Deer Tag	\$7.25	\$11.00	\$3.75	51.7%	Nonresident Great Lakes	5,600.00	6,500.00	900.00	16.1
Without Deer Tag	5.00	8.00	3.00	60.0					
Deer Gun	7.25	11.00	3.75	51.7					
Hunting--All Others	5.00	7.00	2.00	40.0					

Bear Licenses

AB 61 also changes the current bear hunting licensing system. The bill renames the two bear hunting licenses. The holder of a proposed Class A bear license (similar to the current bear harvest license) would be authorized to shoot and kill a bear. The holder of a proposed Class B bear license (similar to the current bear pursuit license) would be authorized to assist the holder of a Class A bear license by tracking or trailing bear. The holder of a Class B license would also be able to bait bear or train a dog to track or trail bear without assisting the holder of a Class A

license. The holder of a Class A bear license would have all the privileges of the Class B bear license. A hunter would no longer have to hold a Class B (pursuit) license to apply for a Class A (harvest) license, but a \$3 permit application fee would be required. Under AB 61, people under the age of 12 years would be able to engage in the activities authorized by the Class B bear license without actually holding the license.

Under AB 61, the preference system for bear licenses would be changed from the current continuous system to a cumulative system. DNR would give a preference point to each applicant who applies for a given season and who is not selected or who is selected but declines to pay the required fee for a Class A bear license. The highest preference category would consist of those who have the most preference points, consecutive or not. Applicants who fail to apply at least once during any three consecutive years would lose all previously accumulated preference points. Under the current system, if a person fails to apply in any one year, all previous preference points are lost.

Under AB 61, the holder of a conservation patron license would no longer have the privileges of pursuing bear. DNR could not waive the \$3 application fee for either the bobcat hunting and trapping permit or the Class A bear license for holders of a conservation patron card.

The bill would also require the Department to issue back tags with a Class A or Class B bear license. The person hunting or pursuing bear would then be required to attach the back tag to the center of their outermost garment where it can be seen while hunting or pursuing bear (the same as the current requirement for deer hunting).

A person seeking a Class A or Class B bear license would be required to apply to the Department for the license under the bill. Applicants seeking to hunt, track, trail, bait or train dogs on bear would be required to specify on the application the starting and ending date of the period of time and the area in the state in which they will engage in those activities. The period of time specified to hunt bear may not exceed 21 days. No person may hunt, track, trail, bait, or train a dog outside the period of time or the area in the state specified on their license. Currently DNR establishes the allowable hunting season, zones and bear dog training periods.

DNR would be required to maintain a list containing the time periods and areas stated on Class A and B bear licenses to inform the public as to when and where persons are hunting, tracking, trailing, baiting or training dogs to hunt bear.

Under AB 61, dogs used to hunt, track or trail bear would be required to wear a collar and rabies vaccination, kennel licensing and dog licensing tags while engaged in those activities. Any person found hunting or pursuing bear that is not in compliance with these provisions would have his or her Class A or B bear hunting license revoked, and no Class A or B bear hunting license may be issued to the person for a period of three years after the date of conviction.

AB 61 would specify the fact that a person is observing bear while possessing a firearm is not sufficient evidence to prove that the person holding the firearm is hunting bear. The bill

would also amend the provisions for shining bear by allowing persons engaged in the observation of bear for "educational purposes" to shine bear while hunting or while in the possession of a firearm or bow. Under AB 61, DNR authorization would not be necessary for persons shining bear for educational purposes.

The bill would take effect on April 1, 1997 (the start of the DNR license year), or the day after publication, whichever is later. The provisions relating to wild turkey licenses, however, would take effect on July 1, 1997, while the provisions related to bear licenses would take effect on October 15, 1997.

SUMMARY OF AMENDMENTS

Assembly Amendment 1. The Assembly Committee on Natural Resources failed to adopt AA 1 to AB 61 on a vote of 3 ayes to 7 noes. The amendment would have deleted the \$2 wildlife damage surcharge that the bill would add to the conservation patron license (and thereby reduce the cost of the license to \$118 for residents and \$573 for nonresidents).

Assembly Amendment 2. AA2 to AB 61 was adopted on a vote of 10 to 0. The bill would allow applicants who want to hunt, track, trail or bait bear or train dogs on bear to specify the period of time (up to 21 days) and area of the state in which they will engage in those activities on their applications. The license issued by DNR would be required to specify the time and area chosen by the applicant. Assembly Amendment 2 limits this provision to only those who are training dogs on bear.

Assembly Amendment 2 to AB 61 would also limit the period of time during which an applicant can train dogs on bear to a season specified by DNR. (DNR currently allows dog training on bear between July 1 and August 31.) It would also limit the area of the state in which an applicant may choose to train dogs on bear to areas authorized by DNR. AB 61 does not specify whether DNR may set the seasons or areas for these activities.

The amendment also deletes the requirement that DNR maintain a list containing the time periods and areas stated on licenses of when and where those tracking, trailing or baiting bear are engaged in those activities; under AA 2 the list would only include the time periods and areas of those hunting bear or those training dogs on bear.

FISCAL EFFECT

As shown in Table 3, the fees included in Assembly Bill 61 would increase revenues in the fish and wildlife account by \$1.2 million in 1996-97 (or 2.4%) and by \$11.9 million in the 1997-99 biennium (an 11.2% increase over current law). Projected revenues are based on enactment of the bill prior to April 1, 1997, when most 1997-98 hunting and fishing licenses will become valid. If the bill were not enacted before April 1, 1997, the revenues from the fee increase would be delayed by approximately one year.

TABLE 3

Fish and Wildlife Account Revenues (AB 61)

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Resident fishing	\$8,616,300	\$9,794,200	\$9,949,200
Non-resident fishing	7,043,400	7,678,200	7,687,300
Two-day sport	309,000	371,700	371,700
Duplicate fishing	21,600	30,200	30,200
Fishing stamps	1,697,200	1,698,200	1,698,300
Sports licenses	8,302,500	9,081,100	9,252,100
Resident hunting	17,515,200	19,466,300	19,491,400
Non-resident hunting	5,745,700	6,200,900	6,185,400
Other revenues	<u>3,686,500</u>	<u>4,119,400</u>	<u>4,163,400</u>
Total AB 61 Revenue	\$52,937,400	\$58,440,200	\$58,829,000
Current Law Revenue	\$51,707,200	\$52,467,900	\$52,933,200
Revenue Increase	\$1,230,200	\$5,972,300	\$5,895,800

The addition of the \$2 wildlife damage surcharge to the conservation patron license would generate approximately \$102,000 annually. The addition of the \$1 wildlife damage surcharge to the Class A bear license would generate approximately \$4,600 annually. These amounts are included in Table 3.

DNR estimates that the cost of printing and distributing back tags for bear hunters would be \$900 (30,000 licenses x \$0.03 per back tag). There will also be costs associated with the application and licensing procedures for persons engaged in dog training on bear. Conservation wardens already engage in patrolling and responding to complaints related to dog training on bear. The agency indicates that they will be able to carry out the provisions of the bear licensing changes within current department appropriations for licensing and enforcement. Agency officials

indicate that allowing the shining of bear while possessing a weapon for educational purposes, without prior authorization by DNR, would hamper conservation law enforcement activities.

While AB 61 does not address expenditures from the fish and wildlife account, several scenarios can be considered.

Table 4 shows revenues and base expenditures under current law (before any adjustments that may be included under AB 61 or the biennial budget). The expenditures shown are the statutorily authorized base spending levels from the fish and wildlife account. Pay plan and reserves include DOA estimated adjustments for DOA finance system charges and authorized increases for employe salaries and fringe benefits. Net expenditures would not include any budget initiatives or other cost increases. The table includes a lapse of \$4.8 million, which is the amount by which DNR has indicated it will reduce spending in 1996-97 to maintain a positive unencumbered balance in the fish and wildlife account. The encumbrances and continuing balances in 1996-97 include amounts encumbered (obligated) by the agency but not expended in that year and continuing, unspent balances in certain appropriations where lapses are statutorily prohibited (for example, in 1995-96 continuing, unencumbered balances were \$2 million relating to wildlife damage, \$1.7 million for inland trout stamps and \$1 million for other stamp accounts). During the 1997-99 biennium the \$1.4 million each year in continuing balances represents the amount by which wildlife damage and stamp revenues are expected to exceed appropriated expenditures (that is, while these amounts may, or may not, be expended in that year for the designated purpose they are statutorily unavailable for appropriation for any other purpose). Under these assumptions, the fish and wildlife account would have a projected deficit of \$4.5 million on June 30, 1999. (That is, DNR would have to administratively reduce authorized expenditures in 1997-99 by \$4.5 million in order to maintain a positive account balance.)

TABLE 4
Revenues and Expenditures Under Current Law
(\$ in Millions)

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$8.9	\$0.6	-\$1.7
Revenues	<u>51.7</u>	<u>52.4</u>	<u>52.9</u>
Total Available	\$60.6	\$53.0	\$51.2
Expenditures	\$53.2	\$53.2	\$53.2
Pay Plan and Reserves	0.6	1.1	2.1
Less Lapses	<u>-4.8</u>	<u>-1.0</u>	<u>-1.0</u>
Net Expenditures	\$49.0	\$53.3	\$54.3
Gross Balance	\$11.6	-\$0.3	-\$3.1
Encumbrances and Continuing Balances	<u>11.0</u>	<u>1.4</u>	<u>1.4</u>
Net Balance	\$0.6	-\$1.7	-\$4.5

Table 5 assumes that AB 61 is not enacted and the Governor's 1997-99 budget bill is enacted. (Under this scenario, reserves includes DNR's rough estimate of \$200,000 annually related to a tribal licensing agreement provision in the budget.) Under these assumptions, the fish and wildlife account would have a projected deficit (expenditure reductions) of \$10.5 million on June 30, 1999. It should be noted that, while the Governor did not include hunting and fishing license fee increases in the budget bill, he stated the expenditure levels authorized in the budget were contingent upon passage of the DNR fee increase package.

TABLE 5

**Revenues Under Current Law and Budget Bill Expenditures
(\$ in Millions)**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$8.9	\$0.6	-\$4.2
Revenues	<u>51.7</u>	<u>52.4</u>	<u>52.9</u>
Total Available	\$60.6	\$53.0	\$48.7
Expenditures	\$53.2	\$55.5	\$56.5
Pay Plan and Reserves	0.6	1.3	2.3
Less Lapses	<u>-4.8</u>	<u>-1.0</u>	<u>-1.0</u>
Net Expenditures	\$49.0	\$55.8	\$57.8
Gross Balance	\$11.6	-\$2.8	-\$9.1
Encumbrances and Continuing Balances	<u>11.0</u>	<u>1.4</u>	<u>1.4</u>
Net Balance	\$0.6	-\$4.2	-\$10.5

Table 6 assumes that AB 61 is enacted before April 1, 1997, and base expenditures are maintained. The fish and wildlife account would have a projected balance of \$8.3 million on June 30, 1999. It should be noted that while Table 6 shows a projected June 30, 1999, balance of \$8.3 million, if revenues are available, increased 1996-97 expenditures (that is a lapse of less than the \$4.8 million identified) would likely result in a lower overall balance.

TABLE 6**Revenues Under AB 61 and Base Expenditures
(\$ in Millions)**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$8.9	\$1.8	\$5.4
Revenues	<u>52.9</u>	<u>58.4</u>	<u>58.8</u>
Total Available	\$61.8	\$60.2	\$64.2
Expenditures	\$53.2	\$53.2	\$53.2
Pay Plan and Reserves	0.6	1.1	2.1
Less Lapses	<u>-4.8</u>	<u>-1.0</u>	<u>-1.0</u>
Net Expenditures	\$49.0	\$53.3	\$54.3
Gross Balance	\$12.8	\$6.9	\$9.9
Encumbrances and Continuing Balances	<u>11.0</u>	<u>1.5</u>	<u>1.6</u>
Net Balance	\$1.8	\$5.4	\$8.3

If AB 61 is enacted prior to April 1, 1997, and the Governor's 1997-99 budget is enacted as introduced, the fish and wildlife account would have a projected balance of \$2.3 million on June 30, 1999, as shown in Table 7.

TABLE 7**Revenues Under AB 61 and Budget Bill Expenditures
(\$ in Millions)**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$8.9	\$1.8	\$2.9
Revenues	<u>52.9</u>	<u>58.4</u>	<u>58.8</u>
Total Available	\$61.8	\$60.2	\$61.7
Expenditures	\$53.2	\$55.5	\$56.5
Pay Plan and Reserves	0.6	1.3	2.3
Less Lapses	<u>-4.8</u>	<u>-1.0</u>	<u>-1.0</u>
Net Expenditures	\$49.0	\$55.8	\$57.8
Gross Balance	\$12.8	\$4.4	\$3.9
Encumbrances and Continuing Balances	<u>11.0</u>	<u>1.5</u>	<u>1.6</u>
Net Balance	\$1.8	\$2.9	\$2.3

If AB 61 is not enacted before April 1, 1997 (or is enacted in the biennial budget rather than in separate legislation), and the Governor's 1997-99 budget is enacted as introduced, the fish and wildlife account would have a projected deficit (expenditure reductions) of \$3.4 million on June 30, 1999, as shown in Table 8.

TABLE 8
Budget Bill Revenues and Expenditures
(\$ in Millions)

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$8.9	\$0.6	-\$2.9
Revenues	<u>51.7</u>	<u>53.6</u>	<u>58.9</u>
Total Available	\$60.6	\$54.2	\$56.0
Expenditures	\$53.2	\$55.5	\$56.5
Pay Plan and Reserves	0.6	1.3	2.3
Less Lapses	<u>-4.8</u>	<u>-1.0</u>	<u>-1.0</u>
Net Expenditures	\$49.0	\$55.8	\$57.8
Gross Balance	\$11.6	-\$1.6	-\$1.8
Encumbrances and Continuing Balances	<u>11.0</u>	<u>1.3</u>	<u>1.6</u>
Net Balance	\$0.6	-\$2.9	-\$3.4

Prepared by: Russ Kava

MO# AA 2

BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	(Y)	N	(A)
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(X)	N	A
OURADA	(Y)	N	A
HARSDORF	Y	N	(A)
ALBERS	(Y)	N	A
PORTER	Y	N	(A)
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 13 NO 0 ABS 3

MO# Recommend Passage

BURKE	(Y)	N	A
DECKER	(Y)	N	A
GEORGE	(Y)	N	A
JAUCH	(Y)	N	(A)
WINEKE	(Y)	N	A
SHIBILSKI	(Y)	N	A
COWLES	(Y)	N	A
PANZER	(Y)	N	A
JENSEN	(Y)	N	A
OURADA	(Y)	N	A
HARSDORF	Y	N	(A)
ALBERS	(Y)	N	A
PORTER	Y	N	(A)
KAUFERT	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 13 NO 0 ABS 3