

Fiscal Estimate Narratives
DNR 2/24/2004

LRB Number	03-4075/1	Introduction Number	SB-407	Estimate Type	Original
Subject					
Deer hunting in chronic wasting disease areas					

Assumptions Used in Arriving at Fiscal Estimate

This bill would allow the Department to exempt deer hunters in chronic wasting disease intensive harvest or herd reduction zones from having a deer hunting license, wearing a back tag, or tagging a deer killed in the hunt. The bill would also allow deer hunting licenses to be sold during the open season for hunting deer. Measuring the financial impact of exempting some hunters from the deer hunting licensing requirement is difficult. Many factors must be accounted for and some general assumptions need to be made for any analysis.

The revenue impact of allowing license sales during the deer hunting season is indeterminable. There would be a slight increase from license buyers who decided to hunt after the opening day and were able to purchase licenses, but there would also likely be a slight decrease from license buyers who waited to decide to hunt until the season had started, and then decided against it.

The fiscal impact of revenue loss from exempting hunters in CWD zones from having a license could be anywhere between \$0 and \$2,428,200, depending on how extensive the Department implemented the provision. For the entire herd reduction zone in southwest Wisconsin, the Department estimated the number of hunters in 12 deer management zones based on the average number of deer harvested from those zones for the years 1999 through 2001. The average annual number of hunters in those zones is estimated at a total of 109,000. The average deer hunter success rate from 1999-2001 was 44%. The average number of deer harvested per year (47,900) divided by the average harvest success rate (44%) yields the approximate number of licensed hunters per year in the 12 management zones (109,000). Using the following methodology, the Department estimates the loss of revenue for exempting licenses for the entire herd reduction zone to be \$2,428,200. Using the same methodology, but exempting licenses only for what is now called the intensive harvest zone would result in an estimated revenue loss of \$376,400.

License sales from 1999-2001 were averaged to determine the approximate percentage of deer hunters under the authority of each license type as follows:

9.2% - Resident Patron; 10.0% - Resident Sports; 55.5% - Resident Gun Deer; 19.9% - Resident Archery; 4.5% - Non-resident Gun Deer; .9% - Non-resident Archery.

The total fiscal impact created by free landowner permits can then be calculated by determining the number of each license authority sold based on the 1999-2001 averages.

Resident Patron - For Resident Patron license holders, it is assumed that most patron license buyers would continue to buy the patron license for the other privileges included with the license. However, it is estimated that 5% would stop buying patron licenses and purchase small game and fishing licenses separate, at a loss of \$107 per license holder. For this assumption, the Department would lose \$53,878.
(109,000 licenses x .092% of license type = 10,071 patron licenses x 5% = 504 x \$107 = \$53,878)

Resident Sports - For Resident Sports license holders, it is assumed that 70% would discontinue buying the Sports license, and instead buy a small game license and a fishing license, at a revenue loss of \$12 each to the Department. For this assumption, the Department would lose \$9,096. (109,000 x .10 = 10,855 Sports Licenses x 70% = 7,599 x \$12 = \$91,186)

Resident Gun Deer, it is assumed that 90% of License holders in the 12 zones would not buy deer licenses. For this assumption the Department would lose \$1,087,979. (109,000 x .555 = 60,443 x 90% = 54,399 licenses x \$20 = \$1,087,979)

Resident Archery, it is assumed that 90% of license holders in the 12 zones would not buy deer licenses. For this assumption, the Department would lose \$390,000. (109,000 x .199 = 21,667 licenses x 90% = 19,500 x \$20 = \$390,000)

For Non-resident Gun Deer, it is assumed that 100% of license holders would not buy deer licenses. For this assumption, the Department would lose \$665,558. ($109,000 \times .045 = 4,930$ licenses \times \$135 = \$665,558)

For Non-resident Archery, it is assumed that 100% of license holders would not buy deer licenses. For this assumption, the Department would lose \$117,720.
($109,000 \times .009 = 1,034$ licenses \times \$135 = \$139,568)

Total Licensing Loss

$\$53,878 + \$91,186 + \$1,087,979 + \$390,000 + \$665,558 + \$139,568 = \$2,428,169$

Caveats

- 1) People may have bought licenses even though it was not required.
- 2) Hunter numbers declined in this area after the discovery of CWD, but have shown rebounding trends.
- 3) The estimate is totally dependent on which areas are selected for exemption.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Deer hunting in chronic wasting disease areas			
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	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		-2,428,169
	TOTAL State Revenues	\$	\$-2,428,169
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$-2,428,169	\$
Agency/Prepared By		Authorized Signature	Date
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