



## Fiscal Estimate Narratives

DNR 9/19/2003

LRB Number	03-1934/1	Introduction Number	AB-460	Estimate Type	Original
<b>Subject</b>					
One day fishing license					

### Assumptions Used in Arriving at Fiscal Estimate

#### Bill Summary:

This bill creates a new 24-hour fishing license for resident and nonresident anglers for a fee of \$10. The license would allow fishing for inland water trout and outlying waters trout and salmon without a trout stamp or Great Lakes trout and salmon stamp.

#### Fiscal Impact:

This bill will create an increase in administrative costs and a decrease in license revenue.

The primary cost of this proposal would be to create two new license types, a 24-Hour Resident Fishing and a 24-Hour Nonresident Fishing, in the Automated License Issuance System (ALIS). One-time cost to create the new licenses is estimated at \$10,000-\$50,000. The lower end of this range is for a license that does not have any special features. However, because it is likely that these licenses would require special programming to allow customers to specify when the 24-hour period begins, the Department is more confident in the higher figure. Given the deep budget reductions the Bureau of Customer Service and Licensing has absorbed in the past two fiscal years, this additional cost could not be absorbed within the bureau's existing resources without sacrificing some other element of the existing service program.

This bill will likely result in a revenue loss of an estimated \$210,900 annually, related to lower sales for the two-day Great Lakes sport fishing license, the four-day nonresident fishing license, and the trout and salmon stamps. It is likely that many customers who currently buy a two-day Great Lakes license will shift to the 24-hour license at a price differential of \$4.00; and other customers who currently buy a four-day nonresident license will similarly take advantage of an \$8.00 price difference.

This revenue loss estimate is based on actual changes in license sales of 1, 2 and 4-day fishing licenses as a result of changes in license format for the period 1986 through 1992. This historical information can be used to estimate the impact of the proposed 24-hour fishing licenses on the types of licenses sold and resulting revenue impacts.

In 1997, a one-day license was created for outlying waters only. In 1988, the addition of inland fishing privileges to the one-day license resulted in an 86% growth of the one-day license sales and a 14% decrease in the sale of four-day nonresident license. In 1992 the one-day license that covered inland and outlying waters was replaced by a 2-day sport license for outlying waters only. This resulted in a 45% reduction in the sale of the 2-day license and a 14% increase in the sale of the 4-day nonresident license.

If these same effects occur with current (2002) license sales as a result of the proposed 1-day license, the following revenue changes are likely:

It is estimated that 37,503 1-day licenses will be sold for an increase in revenue of \$375,030. This assumes these sales equal 86% of two-day sales, as occurred in 1988.

It is estimated that 23,984 2-day sport licenses will be sold, a 45% decrease from 2002 sale levels, resulting in a revenue loss of \$274,737. This assumes these sales decrease by the same 45% level as occurred in 1992.

It is estimated that 102,092 4-day nonresident licenses will be sold, a 14% decrease from 2002 sale levels, resulting in a revenue loss of \$299,160. This assumes these sales decrease by the same 14% decrease as occurred in 1992.

In addition, it is estimated there would be a \$12,050 decrease in Inland Trout Stamp revenues. Ten percent of anglers fish for inland trout. Since the proposed 24-hour license does not require a trout stamp, there would be a decrease in Inland Trout Stamp revenues equivalent to 10% of the reduction in four-day license sales.

Currently, one-half of the revenue from the sale of two-day licenses goes to the Salmon Stamp account. Under this analysis, that account would experience a reduction of \$137,400. This amount is included in the total projected revenue loss.

The total revenue loss under this bill is estimated to be \$210,916 (\$375,030 minus \$274,736 minus \$299,160, minus \$12,050).

### **Long-Range Fiscal Implications**

Loss of approximately \$210,000 in revenue to the Fish & Wildlife Account of the Conservation Fund, further exacerbating the department's long-term budget difficulties.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-1934/1</b>		<b>Introduction Number</b> <b>AB-460</b>	
<b>Subject</b>			
One day fishing license			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
One-time cost of approximately \$50,000 to develop two new licenses: 24-Hour Resident and Non-Resident Fishing. This cost will be necessary to create the ability for customers to specify the hour and minute that a license is to become effective, a feature that currently does not exist..			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-210,900
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-210,900</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-210,900	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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