

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-5647/1 **Introduction Number** AB-1225

Description
eliminating the fee for an annual fishing license issued to a resident senior citizen and making an appropriation

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 3. Increase Revenue
- Permissive Mandatory Permissive Mandatory
- 2. Decrease Costs 4. Decrease Revenue
- Permissive Mandatory 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

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Date

5/6/2024

Fiscal Estimate Narratives

DNR 5/6/2024

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Assumptions Used in Arriving at Fiscal Estimate

The bill eliminates the fishing license and first-time buyer fishing license fee for residents 65 years or older and establishes an annual transfer of GPR funding to the Fish & Wildlife Account in an amount that equals the number of annual fishing licenses issued to residents 65 years and older, multiplied by \$7.

I. Assumptions and Background:

A. The current \$7 annual fishing license for resident senior citizens (\$6.25 statutory fee plus \$0.75 issuing fee) was established in 1997 Wisconsin Act 248.

B. Annual sales of resident senior citizen fishing licenses for the last four years, and the revenue generated from those sales, are as follows:

1. 2020 license year: Senior: 147,687; Sr. New Buyer: 22,846; estimated revenue: \$1,148,039; additional estimated federal grant match: \$3.2 million
2. 2021 license sales: Senior: 155,267; Sr. New Buyer: 16,686; estimated revenue: \$1,170,299; additional estimated federal grant match: \$3.2 million
3. 2022 license sales: Senior: 155,765; Sr. New Buyer: 20,574; estimated revenue: \$1,193,225; additional estimated federal grant match: \$3.3 million
4. 2023 license sales: Senior: 159,369; Sr. new Buyer: 20,975; estimated revenue: \$1,220,458; additional estimated federal grant match: \$3.3 million

II. State Fiscal Impact:

A. State Revenue

Based on senior citizen license sales over the past four years, as detailed in the assumptions above, the bill is estimated to reduce annual fishing license revenue deposited into the Fish & Wildlife Account by \$1,183,000, which would be offset by an estimated annual GPR transfer of \$1,183,000 to the Fish & Wildlife Account .

B. Federal Revenue

Wisconsin receives Federal matching funds, via the Dingell-Johnson Sport Fish Restoration Act, based on paid fishing license sales. Currently, each certified angler generates an average of \$18.67 in matching federal grant revenue.

Federal regulations allow states to include fishing licenses that are issued free of charge as part of its certified total of paid licenses, provided that the state offsets the foregone revenue from a source other than fishing license fees. Therefore, given that the bill includes a GPR offset for issuing free senior citizen licenses, it would have no fiscal effect on Dingell-Johnson Sport Fish Restoration funding received by the state.

C. State Costs

The department would incur minor, one-time programming costs to remove the license fee in the Go Wild licensing system.

III. Private Sector Fiscal Impact

Department agents that issue licenses on behalf of the department receive a \$0.75/transaction commission as an incentive for offering the service. Therefore, under the provisions of the bill, agent commissions from issuing annual fishing licenses for those 65 years and older would be eliminated.

The department estimates that approximately 39% of fishing license sales are completed at agent locations. Therefore, based on 2023 license year data, the bill would reduce annual commissions for license agents by ~\$52,800 (180,344 senior and senior new buyer licenses x \$0.75 x 39%).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
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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			-1,183,000
TOTAL State Revenues	\$		\$-1,183,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-1,183,000	\$
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		Date	
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