



Legislative Fiscal Bureau

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TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 401: One Day Fishing Licenses

Senate Bill 401 would create a one-day fishing license available for purchase by Wisconsin residents and by non-residents. In addition, the bill would specify that residents and non-residents who purchase a one-day fishing license would be able to purchase an annual fishing license for a reduced fee. The bill was introduced on November 18, 2009, and referred to the Senate Committee on Transportation, Tourism, Forestry, and Natural Resources. On February 4, 2010, the bill was recommended for passage by the Committee on a vote of Ayes 6, Noes 0.

CURRENT LAW

With certain exceptions, no person may fish in Wisconsin unless the person holds a valid approval (license) that authorizes fishing. The Department of Natural Resources (DNR) currently issues various fishing licenses to residents and non-residents. Annual fishing licenses are available to residents and non-residents. In addition, residents may purchase husband and wife fishing licenses. The Department also issues reduced fee licenses to residents ages 16 and 17, seniors, disabled persons, and disabled veterans. Non-residents may purchase an individual four-day or 15-day license, or annual or fifteen-day family fishing licenses. Special fishing licenses and stamps are also available for salmon, sturgeon, and trout fishing. Table 1 shows current fishing licenses and associated fees.

TABLE 1

Current Fishing Licenses and Fees

<u>License</u>	<u>Current Fee</u> <u>(including 75¢ issuing fee)</u>
Resident	
Annual	\$20.00
Senior Annual	7.00
Youth Annual	7.00
Husband and Wife Annual	31.00
Disabled	7.00
Disabled Veteran	3.00
Sturgeon Spearing	20.00
Sturgeon Hook and Line	20.00
Nonresident	
<i>Individual</i>	
Annual	\$50.00
Four-day	24.00
Fifteen-day	28.00
<i>Family</i>	
Annual	65.00
Fifteen-day	40.00
Sturgeon Spearing	65.00
Sturgeon Hook and Line	50.00
Fishing Stamps	
Inland Trout	\$10.00
Great Lakes Trout and Salmon	10.00
Two Day Great Lakes Fishing	14.00
Two Day Inland Lake Trout	14.00

In 1970, a resident and non-resident one-day fishing license was created for outlying waters only. In 1988, the license was expanded to include both outlying and inland waters. In January 1992, the one-day license was repealed and replaced with the current two-day Great Lakes fishing license.

SUMMARY OF BILL

The bill would create a one-day fishing license. The fee for the resident one-day fishing license would be \$8 (including a 50¢ issuing fee) and the fee for the non-resident one-day fishing license would be \$10 (including the issuing fee). In addition, a person who holds a one-day fishing license and wants a resident or non-resident annual fishing license, would be eligible to purchase

the annual resident or non-resident fishing license within the same license year at a reduced fee. The bill would specify that the reduced fee for the annual fishing license would be equal to the difference between the fee for the general annual fishing license and the fee for the one-day fishing license (\$12 for residents, \$40 for non-residents).

The bill would take effect on the day after publication of the act (April 1, 2010, or the day after publication, whichever is later).

FISCAL EFFECT

The bill would create a resident and non-resident one-day fishing license and allow individuals who purchase a one-day fishing license to purchase an annual fishing license within the same license year at a reduced fee. In the past, when one-day fishing licenses have been added, sales of resident annual and non-resident four-day fishing licenses have decreased. Table 2 shows the current annual resident and nonresident annual fishing license fees, the current non-resident four-day license fee, the one-day fishing licenses created under the bill, and the reduced-fee annual licenses created under the bill.

TABLE 2

Select Current Fishing Licenses and Fishing Licenses Created Under SB 410

<i>Current Resident Fishing Licenses</i>		<i>Current Non-Resident Fishing Licenses</i>	
Annual	\$20.00	Annual	\$50.00
		Four-day	\$24.00
 <i>Resident Fishing Licenses under SB 401</i>		 <i>Non-Resident Fishing Licenses Under SB 401</i>	
One-Day	\$8.00	One-Day	\$10.00
Annual	\$20.00	Annual	\$50.00
Annual after purchase of one-day	\$12.00	Annual after purchase of one-day	\$40.00

When the one-day inland waters license was added in 1988, sales of resident annual and non-resident four-day licenses declined. Further, when the one-day license was repealed, sales of these licenses increased. The one-day license was expanded to include inland waters as well as outlying waters effective January 1, 1988. Therefore, the first complete fiscal year in which these one-day fishing licenses were sold was fiscal year 1988-89. For the three fiscal years between 1988-89 and 1990-91, the inland and outlying one-day fishing license was available. Then, in January 1992, the inland waters privileges were removed and the license was converted to a two-day Great Lakes license.

Many factors affect license sales, including fishing conditions, weather and fees. Therefore, in order to gauge the effects of the one-day license expansion on license sales, average license sales for the three years before the one-day license was expanded could be compared to average sales for the three-year periods during, and after, the one-day fishing license was expanded. Table 3 shows these comparisons.

TABLE 3

Three Year Average License Sales

(Before, during, and after one-day fishing license expansion)

<u>Fishing Licenses</u>	3-Yr. Avg. Before Inland (1984-85 through 1986-87)	3-Yr. Avg. With Inland (1988-89 through 1990-91)	<u>Change</u>		3-Yr. Avg. for 2-Day Great Lakes (1992-93 through 1994-95)	<u>Change</u>	
			<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
Resident Annual	535,400	507,500	-27,900	-5%	537,300	29,800	6%
Non Resident Four-day	165,000	135,400	-29,600	-18	144,100	8,700	6
One/Two-day	39,400	85,800	46,400	118	44,400	-41,400	-48

Using three year averages, sales of resident annual fishing licenses decreased by approximately 5% after the one-day license was expanded and increased by approximately 6% after it was repealed. Additionally, sales of non-resident four-day licenses decreased by approximately 18% and increased by 6% after it was repealed. Further, the number of one-day licenses sold increased by 46,400 after the expansion of the license to inland waters; and, after the one-day inland license was repealed, the remaining number of two-day Great Lakes license (outlying waters) sold decreased by approximately 41,400.

Currently, annual resident fishing licenses generate approximately \$19.50 per license sold (\$20 less the 50¢ issuing fee retained by the sales agent) to the fish and wildlife account of the conservation fund and non-resident four-day licenses generate approximately \$23.50 per license sold. Under the bill, each resident one-day fishing license would generate approximately \$7.50 in fish and wildlife SEG revenue and each non-resident one-day fishing license would generate approximately \$9.50 in revenue. DNR estimates that the issuance of one-day licenses would reduce resident annual fishing license sales by 5.5% (approximately 27,800 licenses based on recent fishing license sales) and nonresident four-day license sales by 12% (approximately 11,600 licenses). The Department assumes that the reduction in resident license sales and non-resident four-day license sales would result in an equivalent number of one-day resident and one-day non-

resident license sales.

While DNR notes that, in the past, the issuance of one-day licenses has reduced annual and four-day license sales without any evidence of a significant number of new sales of one-day licenses, the Department assumes that 1,500 new resident one-day and 1,500 new non-resident one-day fishing license sales would be generated annually under the bill. Therefore, DNR estimates that approximately 29,300 resident one-day fishing licenses would be sold annually (for a net resident revenue reduction of \$322,350 annually) and approximately 13,100 non-resident one-day fishing licenses would be sold annually (\$148,150 net annual nonresident revenue reduction). Therefore, DNR estimates that the shift from resident annual fishing licenses and non-resident four-day fishing licenses to resident and non-resident one-day licenses would result in a net loss of \$470,500 annually to the fish and wildlife account of the segregated conservation fund.

The bill makes no appropriation. However, the DNR fiscal note indicates that adding one-day fishing licenses to the DNR Automated License Issuance System (ALIS) would result in one-time programming costs of approximately \$8,000. However, this estimate was based on the assumption the effective date would be April 1, 2010, and DNR would have sufficient time to include the changes during other modifications that occur with the first day of the license year. DNR indicates that modifying the license vendor system during a license year (as required by the bill) would result in one-time programming costs of up to \$12,000. Under the bill, these costs would be absorbed within existing resources. Further, DNR notes that programming the vendor system would likely take several months; therefore, one-day fishing licenses likely would not be available for purchase until several months after the bill becomes effective. An option would be to delay the effective date of the bill for several months, or until April 1, 2011, to be consistent with the next license year.

It should be noted that the bill would allow an individual who purchased a one-day fishing license to purchase an annual fishing license within the same license year at a reduced fee. A reduced-fee annual license was not offered when one-day fishing licenses have been available in the past. Therefore, depending on the number of individuals who purchase the annual license at a reduced fee after purchasing a one-day fishing license, the loss of fish and wildlife account revenue could be somewhat lower than the Department estimates. For example, for a resident who has purchased a one-day fishing license, but then plans to fish for a total of three or more days, purchasing the resident annual license at the reduced fee (for a total of \$20 for the one-day and annual licenses) would be more economical than purchasing three one-day licenses (\$24).

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