



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #565

Elk Application Fee Increase (DNR -- Fish, Wildlife, and Recreation)

[LFB 2009-11 Budget Summary: Page 465, #8]

CURRENT LAW

DNR is authorized to issue elk hunting licenses and to limit the number of elk hunters and elk harvested in any area of the state. The Department has established an overall state population goal of 1,400 elk at the end of winter.

GOVERNOR

Increase the application processing fee for a resident and non-resident elk hunting license from \$3 to \$10. The application fee is deposited in the fish and wildlife account of the conservation fund.

DISCUSSION POINTS

1. DNR introduced 25 elk from Michigan into the Clam Lake area in May, 1995. The overwinter herd grew to 85 in 2000, then stagnated at just over 100 from 2002 through 2006, before growing to an estimated 123 in 2008 and 145 in 2009. An elk hunt would be considered when the Department determines that the total elk population is at least 200 animals. Given that the overwinter population is unlikely to exceed 200 before 2011 (a December, 2011, hunt) or more likely, 2012, the fee increase could be considered in separate legislation or in the 2011-13 budget.

2. On the other hand, the Clam Lake herd after the spring, 2008, calving season was approximately 150 animals. DNR believes the herd could surpass 200 animals as early as the spring of 2010, in which case a limited bull-only elk season could be instituted in December, 2010. While very few licenses would be expected to be available, DNR estimates that more than 20,000 hunters would apply, generating over \$200,000 in annual revenue. If the herd were to reach targeted levels

and a limited elk hunting season were to be held in December, 2010, it could be argued the application fee for the initial season should be established at this time.

3. Although no agricultural crop damage has been reported to date from elk, as the elk herd grows, crop damage can be expected. Elk damage is considered an eligible cost under the wildlife damage program because DNR has an administrative rule in place that establishes an elk hunting season (when the initial population goal is reached). The wildlife damage program provides landowners in participating counties with financial assistance for abatement projects to reduce crop damage and partially reimburses losses incurred from crop damage. The current \$2 wildlife damage surcharge on an elk license (\$49 resident, \$251 nonresident) would be expected to generate only minimal revenue for some time. Therefore, an alternative would be to direct a portion of the application processing fee to fund wildlife damage claims and abatement projects. If 50% of revenues were designated for wildlife damage, over \$100,000 annually would be expected once an elk season were established (Alternative 2). If \$2 per application were designated for the wildlife damage program, over \$40,000 annually would be expected (Alternative 3).

4. Some have suggested that revenue from the elk application fee should go toward elk management, as the license fees will once a hunt is established. An alternative could be to specify that \$2.75 of the application fee (\$3, less the 25¢ issuing fee) go to the general fish and wildlife account, similar to other application fees, with \$3 going to support wildlife damage and \$4 to the existing elk management appropriation (Alternative 4). The elk management appropriation is currently authorized to receive elk hunting license fees to be used for license administration, for elk management and research activities, and for elk hunter education courses.

ALTERNATIVES

1. Adopt the Governor's recommendation to increase the fee for a resident elk hunting application from \$3 to \$10.

2. Adopt the Governor's recommendation. In addition, specify that 50% of the revenue received from elk application fees be used for the wildlife damage claims and abatement program.

3. Adopt the Governor's recommendation. In addition, specify that \$2 of the revenue received from elk application fees be used for the wildlife damage claims and abatement program.

4. Adopt the Governor's recommendation. In addition, specify that \$3 from elk application fees be used for the wildlife damage program, and \$4 be deposited in the elk management appropriation (the remaining fee would be deposited to the general fish and wildlife account).

5. Delete provision.

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