



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #462

Wolf Hunting License Fee (DNR -- Fish, Wildlife, and Recreation)

[LFB 2013-15 Budget Summary: Page 334, #9]

CURRENT LAW

2011 Act 169 created a wolf harvesting license with an application fee of \$10 and a license fee of \$100 for residents and \$500 for non-residents. Duplicate wolf harvesting licenses were also created (\$50 residents and \$250 non-residents).

GOVERNOR

Reduce the price of a wolf harvesting license fee from \$100 to \$47 for residents and from \$500 to \$249 for non-residents. In addition, reduce the price of a duplicate wolf harvesting license from \$50 for residents and \$250 for nonresidents to \$13 for either.

DISCUSSION POINTS

1. 2011 Act 169 specifies that, if the wolf is not listed on the U.S. list of endangered or threatened species or the Wisconsin list of endangered and threatened species, DNR must allow and regulate the hunting and trapping of wolves, implement a wolf management plan, and may limit the number of wolf hunters and trappers and the number of wolves that may be taken by issuing wolf harvesting licenses. Through emergency rule revisions to NR 10 in July, 2012, the Department set a total quota of 201 wolves to be harvested during the 2012-13 season, with specific quotas in each of six DNR-established zones. For the initial season beginning in October, 2012, over 20,000 applications were received for the 1,160 harvest permits authorized by DNR for a non-tribal harvest goal of 116 (an 85 wolf harvest goal was allocated to the tribes in the ceded territories). A total of 888 resident and seven non-resident wolf harvesting licenses were issued by the Department (77% of available licenses). A Circuit Court injunction, which was later lifted, prevented a planned dog-hunting component to the 2012 wolf season. According to the Department, a total of 117 wolves were harvested during the initial 2012 season, including 62 wolves harvested by trappers and 55 harvested by hunters. Of those harvested, 69 were males and 48 were females. The reported tribal

harvest was zero.

2. Under the bill, the wolf harvesting application fee would remain at \$10, but the fee for a resident wolf harvesting license would be reduced to \$47 and the fee for a non-resident wolf harvesting license to \$249. These fees would be more consistent with the current law license fees for a bear or elk harvest license (currently at \$49 and \$251 including the \$2 wildlife damage surcharge, which does not apply to wolf harvesting licenses). The \$13 fee for a duplicate license under the bill would be consistent with the current bear and elk duplicate fee. Prior to 2011 Act 169, wolf damage payments were administered by the Bureau of Endangered Resources and paid primarily from a GPR endangered resources appropriation (revenues from an endangered resources donation income tax check-off and other donations are statutorily matched up to \$500,000 annually from general purpose revenues) and from the endangered resources account of the conservation fund, as well as from federal endangered resources funds. As shown in the following table, wolf damage payments increased from \$106,000 in fiscal year 2008-09 to \$338,600 in fiscal year 2011-12. It should be noted that fiscal year 2011-12 claim payments were unusually high primarily due to a large number of missing calves on two farms. Beginning in fiscal year 2012-13, the claims are paid using revenues from wolf harvesting applications and licenses. Should the amount available from wolf harvest license and application fee revenues be insufficient in a given fiscal year for making all damage payments, 2011 Act 169 specifies that the payments be prorated. Due to the potential for proration, DNR decided to make payments for wolf damage claims on a calendar year basis, beginning with calendar year 2012 (fiscal year 2012-13 payments). As a result, fiscal year 2012-13 payments were made for seven months of claims, from May, 2012 through December, 2012. Wolf damage claims for fiscal year 2012-13 totaled \$139,200. Had the payments been made for the full calendar year, approximately \$40,000 in additional claims which were paid in fiscal year 2011-12 would have been included in the fiscal year 2012-13 payments (for a total of approximately \$180,000 in 2012 claims).

TABLE 1

Wolf Damage Claim Payments

<u>Appropriation</u>	<u>Funding Source</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12*</u>	<u>2012-13*</u>
Wolf Damage Claim Payments						
Endangered Resources Donations	SEG		\$400	\$0	\$0	\$0
Endangered Resources Match	GPR	\$106,000	132,400	\$127,700	\$201,800	0
Federal Operations	FED			58,800	11,200	0
Endangered Resources Operations	GPR				125,600	0
Wolf Damage Appropriation (Fish & Wildlife Account)	SEG					<u>139,200</u>
Total		\$106,000	\$132,800	\$186,500	\$338,600	\$139,200

* July, 2011, through April, 2012.

** May, 2012, through December, 2012.

3. DNR primarily attributes the reduction in 2012 wolf damage claims compared to the previous year to the state's ability to implement lethal controls of wolves once federal de-listing

occurred (DNR works with the United States Department of Agriculture's Animal Plant Health Inspection Service (APHIS) to monitor and control wolves in Wisconsin). A total of 76 wolves were removed in 2012 through one of three lethal control options: (a) federal trappers (USDA-APHIS Wildlife Services); removed 57 wolves from depredation sites; (b) DNR issued 129 wolf removal permits to landowners with 16 wolves actually removed, that met one or more of the following criteria: experienced a wolf depredation in the past two years, live within a mile of a depredation in the current year and have livestock at risk, there is a human health and safety concern, or there was evidence of wolves harassing livestock; and, (c) under NR 10.02(1)(b) on private land, landowners, lessees or occupants of land, or any other person with permission of the landowner, lessee, or occupant may shoot and kill any gray wolf (or cougar) in the act of killing, wounding, or biting a domestic animal, with three wolves shot under this authority.

4. Under current law and the bill, revenues from the wolf application fees and harvest licenses are deposited to a DNR continuing appropriation primarily to be used for the administration of a wolf depredation program (wolf damage claims). DNR may use all or a part of any revenues remaining after payment of wolf damage claims for management and control of the wolf population in the following fiscal year. Previously, the Department utilized endangered resources SEG, fish and wildlife SEG, general purpose revenues from the endangered resources GPR match appropriation, and federal Pittman-Robertson (wildlife restoration) grant funds to conduct timber wolf population monitoring and control efforts. Table 2 shows DNR wolf management and control expenditures in fiscal years 2010-11 and 2011-12, excluding wolf damage claim payments. As of August, 2012, the endangered resources program is no longer funding wolf management (due to the 2012 federal delisting); however, beginning in fiscal year 2013-14, a portion of these costs could be paid from the wolf depredation program appropriation (utilizing funds remaining from the prior fiscal year after payment of wolf damage claims). For fiscal year 2012-13, DNR indicates that they are primarily utilizing fish and wildlife SEG and, to the extent possible, federal funds, for wolf management costs. While the appropriation is currently estimated at \$200,000, total revenues of approximately \$290,000 were generated from wolf harvesting applications and licenses in fiscal year 2012-13 from the initial 2012 season. With less than \$140,000 expected to be paid in wolf damage claims, approximately \$150,000 would remain for fiscal year 2013-14 wolf management-related expenditures. While future season structures and harvest goals are not certain, the decreased license fees under the bill would be expected to decrease revenues to the appropriation compared to current law.

TABLE 2

Wolf Management and Control Expenditures

	<u>2010-11</u>	<u>2011-12</u>
Federal APHIS-Wildlife Services	\$261,000	\$63,800
Federal Pittman-Robertson	228,500	344,500
Federal Operations	121,700	78,500
Endangered Resources GPR	6,900	91,700
Endangered Resources SEG	157,000	13,800
Endangered Resources PR	10,000	5,000
Fish and Wildlife SEG	<u>0</u>	<u>110,900</u>
Total	\$785,100	\$708,200

5. The administration indicates that the effects of the decreased license fees are difficult to estimate, but the reduced fee may increase the number of licenses sold. It is not clear the extent to which the license fee, court injunction, and general controversy of the initial season may have contributed to license sale levels. However, if license sales were to increase about 12% to approximately 1,000, to be more consistent with the level authorized by the Department for the initial 2012 season, the overall anticipated loss in license revenues under the bill would be approximately \$43,000 annually. Revenues under the bill would be anticipated at approximately \$247,000 annually (Alternative 1). If the provision were to be deleted and license fees maintained at \$100 for residents and \$500 for non-residents, the appropriation could be reestimated at \$290,000 annually as shown in the Table 3 (Alternative 3). The administration also indicates the fee reduction was intended to bring the fees into alignment with the fees for a bear or elk harvest license. However, as the \$2 wildlife damage surcharge does not apply to wolf harvesting licenses, in effect, the wolf harvesting license fees under the bill are \$2 lower than the total price paid for a bear or elk harvest license. An alternative could be to set the wolf harvesting licenses at \$49 for residents and \$251 for non-residents, which would be consistent with the price paid for a bear or elk harvest license (Alternative 2). This would provide an additional \$2 that could be used for wolf damage claims, or if revenue remained after the payment of claims, for wolf management activities in the following fiscal year.

TABLE 3

Wolf Harvesting License Revenues and Appropriated Amounts

	Preliminary <u>2012-13</u>	Estimate <u>2013-14</u>	Estimate <u>2014-15</u>
Alternative 1 (Governor)			
Revenue	\$290,000	\$247,000	\$247,000
Appropriation	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Difference	\$90,000	\$47,000	\$47,000
Alternative 2			
Revenue	\$290,000	\$249,000	\$249,000
Appropriation	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Difference	\$90,000	\$49,000	\$49,000
Alternative 3			
Revenue	\$290,000	\$290,000	\$290,000
Appropriation	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Difference	\$90,000	\$90,000	\$90,000

ALTERNATIVES

1. Adopt the Governor's recommendation to reduce the price of a wolf harvesting license fee from \$100 to \$47 for residents and from \$500 to \$249 for non-residents. In addition, reduce the price of a duplicate wolf harvesting license from \$50 for residents and \$250 for nonresidents to \$13 for either.

ALT 1	Change to Bill
	Funding
SEG	\$94,000

2. Reduce the price of a wolf harvesting license fee from \$100 to \$49 for residents and from \$500 to \$251 for non-residents, prices consistent with the total license fees for a bear or elk harvest license. In addition, adopt the Governor's recommendation to reduce the price of a duplicate wolf harvesting license from \$50 for residents and \$250 for nonresidents to \$13 for either.

ALT 2	Change to Bill
	Funding
SEG	\$98,000

3. Delete provision. The fee for a wolf harvest license would remain \$100 for residents and \$500 for non-residents and the fee for a duplicate wolf harvesting license would remain \$50 for residents and \$250 for non-residents. Reestimate revenues at \$290,000 annually (an increase of \$90,000).

ALT 3	Change to Bill
	Funding
SEG	\$180,000

Prepared by: Erin Probst