

Fiscal Estimate Narratives

DNR 12/29/2009

LRB Number	09-2152/2	Introduction Number	AB-0577	Estimate Type	Original
Description Requiring the Department of Natural Resources to issue one-day fishing licenses					

Assumptions Used in Arriving at Fiscal Estimate

Effective April 1, 2010, or the day after publication, whichever is later, the bill requires the Department to issue resident or non-resident one-day fishing licenses, and it requires the Department to issue a resident or non-resident annual fishing license at a reduced fee to persons who have previously purchased a one-day fishing license during the same year.

The Department's revenue assumptions for this bill are based on previous experience with the establishment of one-day licenses. A resident and non-resident one-day license was established for inland waters in FY 1988 and was subsequently repealed in FY 1992. Generally, license purchasers shifted from more expensive (Resident Annual, Nonresident Four Day) to the less expensive Daily option, without any evidence of a significant amount of new sales being generated.

Impact On Resident License Revenues

The Department assumes that the issuance of one-day licenses would reduce annual license sales by 5.5%, or 27,800 licenses. Each license generates \$19.50 in revenue (\$19.25 license fee plus \$0.25 issuing fee retained by the Department); therefore, the Department estimates a reduction of \$542,100 (27,800 x \$19.50) in fee revenue generated from the sale of annual licenses. The Department assumes that the reduction in annual license sales will result in an equivalent number of one-day license sales plus sales of an additional 1,500 one-day licenses to reflect new individuals that have not purchased an annual license before; therefore, it is estimated that sales of one-day licenses will be 29,300 annually. Since each one-day license would generate \$7.50 in revenue (\$7.25 license fee plus \$0.25 issuing fee retained by the Department), the Department estimates an increase of \$219,750 (29,300 x \$7.50) in fee revenue generated from the sale of one-day licenses.

The net change in resident license revenue is estimated to be a reduction of \$322,350 (\$219,750 in one-day license revenue minus \$542,100 in lost annual license revenue).

Impact On Non-Resident License Revenues

The Department assumes that the establishment of a one-day license would reduce four-day license sales by 12%, or 11,600 licenses. Each license generates \$23.50 in revenue (\$23.25 license fee plus \$0.25 issuing fee retained by the Department); the Department estimates a reduction of \$272,600 (11,600 x \$23.50) in fee revenue generated from the sale of four-day licenses. The Department assumes that the reduction in four-day license sales will result in an equivalent number of one-day license sales plus sales of an additional 1,500 one-day licenses to reflect new individuals that have not purchased a nonresident license before; therefore, it is estimated that sales of nonresident one-day licenses will be 13,100 annually. Since each license would generate \$9.50 in revenue (\$9.25 license fee plus \$0.25 issuing fee retained by the Department), the Department estimates an increase of \$124,450 (13,100 x \$9.50) in fee revenue generated from the sale of one-day licenses.

The net change in non-resident license revenue is estimated to be a reduction of \$148,150 (\$124,450 in one-day license revenue minus \$272,600 in lost four-day license revenue).

Impact On Total License Revenues

The Department estimates that the bill would reduce overall license revenue, both resident and non-resident, by \$470,500 annually.

Impact on Administrative Costs

The Department estimates that it will incur \$8,000 or more in one-time programming costs to add one-day

licenses into the Automated License Issuance System (ALIS).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Requiring the Department of Natural Resources to issue one-day fishing licenses			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$8,000 or more in one-time programming costs to add one day licenses into the Automated License Issuance System (ALIS).			
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			-470,500
TOTAL State Revenues	\$		\$-470,500
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$-470,500		\$
Agency/Prepared By		Authorized Signature	
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		Date	
		12/29/2009	