

Individual State Agency Fiscal Note

Bill Number: 2227 HB	Title: Recreational fishing	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Recreational Fisheries Enhancement-State 04M-1	(412,784)	(412,784)	(825,568)	(825,568)	(825,568)
Warm Water Game Fish Account-State 071-1	(366,427)	(366,427)	(732,854)	(732,854)	(732,854)
State Wildlife Account-State 104-1	(5,176,871)	(5,176,871)	(10,353,742)	(10,353,742)	(10,353,742)
Regional Fisheries Enhancement Group Account-Non-Appropriated 209-6	(154,059)	(154,059)	(308,118)	(308,118)	(308,118)
Total \$	(6,110,141)	(6,110,141)	(12,220,282)	(12,220,282)	(12,220,282)

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
Account					
State Wildlife Account-State 104-1	(611,014)	(611,014)	(1,222,028)	(1,222,028)	(1,222,028)
Total \$	(611,014)	(611,014)	(1,222,028)	(1,222,028)	(1,222,028)

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2227 proposes a reduction in fishing license fees of approximately 30% for saltwater, freshwater, combination salt- and freshwater, and temporary combination fishing licenses for both resident and non-resident adults.

Section 1.2(a) combination fishing license:

- Resident is reduced from \$45 to \$31.50
- Non-resident is reduced from \$108 to \$75.50

Section 1.2(b) saltwater fishing license:

- Resident is reduced from \$25 to \$17.50
- Non-resident is reduced from \$52 to \$36.50

Section 1.2(c) freshwater fishing license:

- Resident is reduced from \$25 to \$17.50
- Non-resident is reduced from \$75 to \$52.50

Section 1.3(a)(i) one-day temporary combination fishing license:

- Resident is reduced from \$8 to \$5.50
- Non-resident is reduced from \$16 to \$11

Section 1.3(a)(ii) two-day temporary combination fishing license:

- Resident is reduced from \$12 to \$8
- Non-resident is reduced from \$24 to \$17

Section 1.3(a)(iii) three-day temporary combination fishing license:

- Resident is reduced from \$15 to \$10.50
- Non-resident is reduced from \$30 to \$21

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Notes:

1. This fiscal note assumes the same number of sales for each license as were sold in FY 2014 (a total of 71,000).
2. This bill addresses adult licenses only, not senior, youth, or disabled/veteran licenses; not the 50-cent rockfish surcharge on saltwater, combo, and temporary licenses; and not the \$2 biotoxin surcharge on combination licenses.
3. While the 10-percent transaction fee rate does not change with this bill, because it is a percentage, the dollar amount would change. Therefore, transaction fee revenue is also reported in the fiscal note.

Sales for the affected license fees generated \$20,492,387 in FY 2014 revenue, which was accompanied by \$2,049,239 in transaction fee revenue. This yields a combined total of \$22,541,625 in WDFW revenue. The bill's decreased fee amounts would generate \$14,382,246 in revenue, accompanied by \$1,438,225 in transaction

fee revenue. This yields a combined total of \$15,820,470 in WDFW revenue.

Therefore, HB 2227 would reduce revenue by \$6,110,141 in license fees and \$611,014 in transaction fees, for a total of \$6,721,155.

WDFW does not have a study of the elasticity of recreational fishing licenses to inform whether more people would purchase licenses due to this fee decrease or not. Without any other information, some elasticity could be anticipated. However, comments to WDFW indicate that the public does not generally think that fees are too high. In fact, the public does comment that there are not enough fishing opportunities. In addition, a one-third decrease to revenue will directly decrease WDFW's ability to produce fish, and fishing opportunities will decrease. That, arguably, would decrease the number of licenses sold, and reduce revenue even more. Because of the factors explained above, this fiscal note does not make any assumptions about the elasticity of recreational fishing licenses.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

In FY 2014 there was approximately \$2,049,239 incurred as expenses to support the online automated licensing system, WILD. These expenses are recovered through transaction fees generated from license sales expected to be sold through WDFW's licensing system. The transaction fee is a percentage of sales; under HB 2227 WDFW would only receive approximately \$1,438,225 for the same level of support required for an equal number of licenses issued. This is a loss in transaction fee revenue of \$611,014 while still obligated to maintain the same customer service.

A secondary effect of this bill involves the State Wildlife Account, which receives 82% of license fee revenue. These impacts are not shown in the note, as the bill does not explicitly require a reduction in work. However, removing \$5.2 million per year from this account would have a significant impact on WDFW. The State Wildlife Account is used across the agency for work such as fish production, habitat protection, WDFW enforcement, wildlife management, and hunting opportunities. \$5.2 million per year is approximately 14% of State Wildlife Account spending.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	(611,014)	(611,014)	(1,222,028)	(1,222,028)	(1,222,028)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$(611,014)	\$(611,014)	\$(1,222,028)	\$(1,222,028)	\$(1,222,028)

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.