Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **H.B. 203** DATE: **April 15, 1997**

STATUS: **As Introduced** SPONSOR: **Rep. Wachtmann**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **DNR/Wildlife: one-day fishing license, permits, back tags, mussels.**

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
Wildlife Fund (DNR)			
Revenues	- 0 -	Gain or loss depending on the number of licenses sold *and* $325,000 gain	Gain or loss depending on the number of licenses sold
Expenditures	-0-	$7,200 - $32,500 increase	Potential $7,200 - $32,500 increase

- For the one-day fishing license provision, revenues would depend on the number of licenses sold. DNR's Wildlife fund would realize either a loss or a gain in annual revenues: a revenue *loss* of up to $600,000 or a revenue *gain* of up to $270,000.
- DNR's Wildlife Fund would realize a one-time increase of between $7,200 - $32,500 in expenditures for the administration of the issuance of one-day fishing licenses until the point of sale system is implemented. This could be completed in FY 1998 or extend into future years.
- DNR's Wildlife Fund would realize an annual revenue gain of $6,500-$7,000 due to the fee increase for the reissuance of licenses.
- One-time revenue gain of approximately $325,000 to the Wildlife Fund from abolishment of bond program with DAS.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties and municipalities			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	-0-	Potential minimal increase	Potential minimal increase

- The prohibition against taking or selling mussels in this state is redefined under the bill. The penalty for violating this prohibition is a misdemeanor of the fourth degree. There could potentially be an increase in the number of these types of violations.

Detailed Fiscal Analysis

The bill makes provisions regarding the issuance of one-day licenses, the prohibition against taking of mussels or the sale of mussels, the elimination of the requirement for a hunter to wear a tag, certain provisions governing licenses/stamps/permits to be changed by rule, increases the fee for the reissuance of licenses, and makes other changes to the laws governing the issuance of licenses/stamps/permits. Some of the provisions in the bill are intended to facilitate the implementation of the point of sale system.

One Day Fishing License

The bill would require the Chief of the Division of Wildlife in the Department of Natural Resources to adopt rules for the issuance of one-day fishing licenses. The division estimates that their workload could potentially increase by 20% in order to administer the one-day fishing license. If the Department uses its current system of license distribution, they estimate that it would cost them an additional $7,228 to administer this license. This scenario assumes that the Department would not need to increase their staff in order to handle the additional workload. Depending on the percent increase to their workload, the Department might need to hire either a seasonal or permanent employee. If they were to hire a seasonal employee, those costs would be included in the $7,228 figure. If they were to hire a permanent employee, those costs would be a total of $32,500. These personnel costs would only be incurred up to the time that the point of sale system is implemented. Under the point of sale system, the division most likely would not see an increase in their workload with respect to the one-day licenses since these licenses will be incorporated into the POS system.

The bill sets the fee for the one-day license at 40% of the tourist's license, or $5.60 rounded up to $6, plus $1 fee to the clerk or agent issuing the license. The bill also stipulates that the one-day license fee can be applied toward the purchase of an annual license.

The table below lists three possible scenarios for the implementation of a one-day fishing license. Scenario (A) presumes that the number of three-day licenses would remain constant and there would be new sales of 45,000 one-day licenses. In this case, there could be a gain of up to $270,000 in revenues. Scenario (B) for FY1997 projects a sale of 42,000 one-day licenses and 33,000 three-day licenses. In this case, the department could incur a loss of up to $336,000 in revenues. Scenario (C) projects a potential loss to the department of up to $600,000 in revenues for FY1997 from the sale of these one-day licenses. This loss is based on the assumption that everyone who buys a three-day tourist license in FY1996 would buy a one-day license instead in FY1997 and that there would be no increase in the number of licenses sold. The Department is projecting sales of 75,000 three-day tourist licenses for FY1996. (Figures shown in the table for FY1996 are estimates because the reporting period for FY1996 ended on 3/31/97 and actual figures are not yet available.)

Using FY1996 as the base year, the following table illustrates the estimated revenue gains/losses for the three different scenarios:

	Number of licenses	Sold at	For revenue of	Projected revenue of
Projected Sales for FY1996	*75,000 three-day*	*$14 each*	*$1,050,000*	*N/A*
Scenario **A** for FY1997	75,000 three-day 45,000 one-day	$14 each $ 6 each	$1,050,000 $ 270,000	**$270,000 gain**
Scenario **B** for FY1997	33,000 three-day 42,000 one-day	$14 each $ 6 each	$ 462,000 $ 252,000	$1,050,000 - $714,000 = **$336,000 loss**
Scenario **C** for FY1997	75,000 one-day	$ 6 each	$ 450,000	$1,050,000 - $450,000 = **$600,000 loss**

Current Fishing License Fees			
Type of Fee	**Fee deposited to Wildlife Fund**	**Agent/Clerk Writing Fee**	**Total cost for license**
Annual Resident	$14	$1	$15
Annual Nonresident	$23	$1	$24
Three-day Tourist	$14	$1	$15
Persons meeting conditions outlined in 1533.12 ORC	--	--	Free of charge
Persons under the age of 16	--	--	No license required
One-day (Proposed)	*$6*	*$1*	*$7*

Increase Fee for Reissue of License

According to a spokesperson for the Division of Wildlife, the division re-issues approximately 6,500-7,000 licenses per year. The bill proposes a fee increase from $1 to $2 for the re-issuance of licenses. There would still be the $1 fee to be paid to the issuing clerk. This fee increase would be a gain in revenues of approximately $6,500-$7,000 annually to the Wildlife Fund. The bill would also allow authorized agents (and not just a clerk of the court of common pleas) to re-issue licenses.

Remove Requirement for Tags

Currently, the tag worn by the hunter is produced as part of the hunting license. When the division moves to the point of sale system, this portion of the license will no longer be produced. There is no real fiscal affect associated with this change, since the division will be changing the way licenses are produced when they transfer over to the point of sale system.

Prohibit Taking of Mussels

According to a spokesperson for the Division of Wildlife, the division has not allowed the taking of mussels except for bait purposes for quite a number of years. The bill would, in effect, codify the current practice of the department and further prohibit the taking of mussels for bait purposes. The division projects that this provision of the bill would be revenue neutral, since the division has not been issuing crow foot bar permits, mussel taking permits, or annual commercial mussel buyer permits for quite a few years. The prohibition against taking or selling mussels in this state is redefined under the bill. The penalty for violating this prohibition is a misdemeanor of the fourth degree. There would only be a minimal increase in the number of these types of violations since violators are already being apprehended for this offense.

Purchasing Licenses/Stamps/Permits by Mail/Telephone

The bill allows the Chief to require an applicant who wishes to purchase a license/stamp/permit by mail or phone to pay a nominal fee for postage and handling. Expenditures and revenues related to this provision of the bill would be offsetting.

Wetlands Habitat Stamps

Under the current system, wetlands habitat stamps are not serialized and they are separate documents from the licenses. The division issues approximately 30,000 stamps per year. Under the provisions in the bill, the division will treat wetlands habitat stamps the same as other licenses and permits. It is anticipated that under the point of sale system, wetlands habitat stamps would be printed on the license instead of being a separate document. The division estimates that the revenues and expenditures associated with this change will be offsetting.

Bonds Only Required by Chief

Currently, clerks and agents can issue licenses/permits after the clerks and agents have given a bond. Under the provisions in the bill, clerks and agents will only have to give a bond when required by the Chief. According to a spokesperson for the division, it is their intent to abolish this bond program which currently exists between the Department of Administrative Services and the Division of Wildlife. Once this program has been abolished, DAS will return approximately $325,000 in bond monies to the Division of Wildlife. This would be a one-time revenue gain to the Wildlife Fund.

Summary of Fiscal Effects for HB 203		
Provision	**Revenues - Annual**	**Expenditures-Annual**
One day fishing license	Anywhere between $600,000 loss to $270,000 gain	$7,200 - $32,500 increase*
Increase fee for license reissue	$6,500-$7,000 gain	No effect
Remove requirement for tag	No effect	No effect
Prohibit taking of mussels	No effect	No effect
Purchase license/stamp/permit by mail/phone	Offsetting	Offsetting
Wetlands Stamp	Offsetting	Offsetting
Bond Requirement	One-time $325,000 gain	No effect

*Until point of sale system is implemented.

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