Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 25 of the 130th G.A. **Date**: March 15, 2013

Status: As Introduced **Sponsor**: Rep. Barborak

Local Impact Statement Procedure Required: No

Contents: Provides free hunting and fishing licenses and permits to Ohio residents who are 65 years of age and older

State Fiscal Highlights

- The bill provides free hunting and fishing licenses and permits to Ohio residents who are 65 years of age and older. This would likely result in a loss of license revenue that could exceed $1.0 million per year based on receipts from recent license years. License revenue is deposited into the Wildlife Fund (Fund 7015) used by the Department of Natural Resources for wildlife conservation.
- The Department of Natural Resources is also awarded federal formula grants based on the number of paid licenses issued. Providing free licenses to hunters and anglers who are at least 65 years old could reduce the amount of federal funding under these two grant programs. The proceeds from these federal grants are also deposited into Fund 7015.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Background

The bill eliminates resident reduced cost senior hunting and fishing licenses and permits issued by the Department of Natural Resources (DNR) and instead requires the Department to provide free hunting and fishing licenses and permits for Ohio residents who are 65 years of age or older. This would likely result in the loss of license revenue deposited into the Wildlife Fund (Fund 7015). Additionally, providing free hunting and fishing licenses would likely result in some loss of revenue from two federal grants. Background on the various types of licenses and permits issued by DNR and the fiscal effect of the proposed change are described in more detail below.

Under current law, Ohio residents who are at least 66 years old and born on or after January 1, 1938 pay one-half the regular price for hunting and fishing licenses and permits. Ohio residents who are at least 66 years old and born on or before December 31, 1937, are issued these licenses and permits free of charge. In addition to qualifying seniors, the Division of Wildlife issues free licenses to Ohio residents who are holders of veteran license plates displaying the international wheelchair symbol, certain permanently disabled veterans who are Ohio residents, and Ohio residents who are former prisoners of war. Various other license and permit exemptions apply under specific circumstances. Ohio residents not yet 66 years old and who do not qualify for any exemptions pay the full regular price for hunting and fishing licenses and permits. Table 1 below shows the regular and reduced cost senior license fee schedule under current law.

Table 1. Hunting and Fishing License and Permit Fee Schedule Under Current Law

License Type	Regular Fee	Reduced Cost Senior Fee
Resident Annual Hunting License	$19	$10
Deer Permit	$24	$12
Antlerless Deer Permit*	$15	$15
Spring Turkey Permit	$24	$12
Fall Turkey Permit	$24	$12
Wetlands Habitat Stamp*	$15	$15
Fur Taker Permit	$15	$8
Resident Annual Fishing License	$19	$10

*Not eligible for reduced senior pricing

Impact on license revenue

Under the bill, elimination of reduced cost senior hunting and fishing licenses and permits would likely result in some lost license revenue deposited into the Wildlife Fund (Fund 7015). This loss could exceed $1.0 million per year based on receipts from reduced rate hunting and fishing licenses collected during the 2012-2013 license year. Specifically, during the 2012-2013 license year (a license year begins on March 1 of each calendar year and ends on the last day of February the following year), a total of 102,084 reduced cost senior hunting and fishing licenses and permits were sold. Revenue from the sale of reduced cost senior licenses and permits during that time was approximately $1.1 million. Under the bill, these licenses and permits would be issued free of charge, causing DNR to forego this revenue.

Table 2 shows the quantity of and resulting revenue from the sale of reduced cost senior hunting and fishing licenses from the 2009-2010 through the 2012-2013 license year period. As the table shows, receipts from the reduced rate licenses have been growing in recent years. Overall income from reduced cost senior hunting and fishing licenses was $1.1 million for the 2012-2013 license year, a 27.1% increase compared to 2009-2010 revenues of $853,871 from this source. These sales increases largely reflect the increasing number of hunters and anglers that were at least 66 years old and eligible for reduced cost senior licenses and permits. Considering the number of baby boomers that will be at least 66 years old in the coming years, it is reasonable to expect that the number of hunters and anglers eligible for reduced cost licenses and permits under current law will continue to grow.

Table 2. Reduced Cost Senior Hunting and Fishing Licenses and Permits Issued, License Years 2009-2010 through 2012-2013

License Year	Issued	Revenue	% Change
2009-2010	79,956	$853,871	--
2010-2011	87,456	$934,445	9.4
2011-2012	90,521	$967,362	3.5
2012-2013	102,084	$1,085,574	12.2

In addition to the loss of revenue from the sale of reduced cost senior licenses and permits issued under current law, some revenue from the sale of full price licenses would also likely be lost under the bill. This is because under current law, resident hunters and anglers who are below the age of 66 must pay the full regular costs for hunting and fishing licenses and permits. In license year 2011-2012 Ohio residents who were 65 years old purchased 13,950 licenses and permits, generating $274,511 in license revenue. In license year 2012-2013, Ohio residents who were 65 years old purchased 19,014 licenses and permits, generating $374,624 in license and permit income. Under the bill, this group of hunters and anglers would also receive free licenses and permits,

meaning that Fund 7015 would also forego the increment of revenue from people in this age group.

Impact on federal grants

Aside from a potential drop in license fees deposited into the Wildlife Fund (Fund 7015), the revised age limit in the bill could also affect the amount of grants received by the state under two federal laws. These federal laws are the (1) Aid in Wildlife Restoration Act of 1937 (Pittman-Robertson Act), and (2) Federal Aid in Sport Fish Restoration Act of 1950 (Dingell-Johnson Act). Under these grants, a portion of the funding is provided based on the number of *paid* hunting and fishing licenses issued. To be considered paid licenses, the state must receive revenue that exceeds the cost of producing a license by at least one dollar. Providing free hunting and fishing licenses for Ohio residents 65 years and older could reduce the total number of paid hunting and fishing licenses issued by the state, resulting in a loss in the amount awarded to Ohio under these federal grants.

The Pittman-Robertson Act provides formula grant funding to state wildlife agencies. Wildlife restoration grant awards are determined by a formula that provides 50% of the funding based on the land area of the state, and 50% by the number of paid hunting licenses issued. Pittman-Robertson funding based on paid hunting licenses issued totaled $4.1 million in federal fiscal year (FFY) 2011, or $9.99 per paid hunting license. In FFY 2012, the amount per paid hunting license was $9.94, or $4.0 million. The number of Ohio residents who were at least 65 years old and who purchased reduced cost senior or regular cost hunting licenses totaled 20,200 in license year 2011-2012 and 22,646 in license year 2012-2013, 4.9% and 5.6% respectively of all hunting licenses sold in those years.

Similarly, under the Dingell-Johnson Act, 60% of the funding is based on the number of paid fishing licenses issued, while 40% is based on the land area of the state. During FFY 2011, the portion of Dingell-Johnson funding based on the number of paid fishing licenses issued totaled approximately $4.4 million, or $5.13 per license issued. For FFY 2012, the amount was approximately $4.3 million, or $5.32 per paid fishing license issued. The number of paid reduced cost senior and full cost fishing licenses purchased by Ohio residents who were at least 65 years old during the 2011-2012 license year totaled 53,544, 6.3% of all fishing licenses sold that year. For the 2012-2013 license year, Ohio residents who were 65 years of age or older purchased a total of 64,503 reduced cost senior and regular cost fishing licenses, or 8.2% of all paid fishing licenses.

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