

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 12, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2940 by Hilderbran (Relating to stamps for migratory and upland game bird hunting; providing a penalty.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2940, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would create two new comprehensive bird stamps (the Migratory Game Bird Stamp and the Upland Game Bird Stamp) to replace three current bird stamps for white-wing doves, waterfowl, and turkeys. The bill would set each stamp fee at \$7. Net proceeds, after deducting a five percent fee to license agents, would be credited to the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 for the purchase, lease, or development of habitat for migratory or upland game birds, and/or the research, conservation, and management of migratory or upland game birds. The bill would authorize the Texas Parks and Wildlife Department (TPWD) to issue and sell a collector's edition of the stamps as well as use the stamp's design for products offered for sale to the general public.

The bill would take effect September 1, 2006.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2006 | \$0 |
| 2007 | \$0 |
| 2008 | \$0 |
| 2009 | \$0 |
| 2010 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/(Loss) from GAME, FISH, WATER SAFETY AC 9 |
|--------------------|--|
| 2006 | \$0 |
| 2007 | \$1,932,562 |
| 2008 | \$1,932,562 |
| 2009 | \$1,932,562 |
| 2010 | \$1,932,562 |

Fiscal Analysis

TPWD indicates current revenue from existing stamps that would be discontinued is approximately \$2,254,004 per year, and revenue from the new stamps would be \$4,168,725 per year, or an increase of \$1,914,721. Other revenue from the image of artwork produced by the stamp prints and stamp collector's edition set sales would generate new revenue of \$17,841 per fiscal year.

The overall fiscal impact of the bill is a revenue increase of \$1,932,562 per fiscal year.

Methodology

This bill reorganizes the current \$7 white wing dove, \$7 waterfowl and \$5 turkey stamp into two new stamps. The new \$7 Migratory Game Bird Stamp will cover all migratory game birds and the new \$7 Upland Game Bird Stamp will cover all resident game birds. The stamps will provide additional revenue that is currently not being collected for certain species.

Migratory and Upland Game Bird Stamps

Estimated revenue for the sale of each type of stamp was derived based on the following:

(1) Analysis of the current number of waterfowl and white-wing (355,000) and turkey (127,237) hunters in the state, derived from hunter population surveys conducted by TPWD. This estimate assumes that these hunters will continue to hunt these species and will therefore purchase the new stamps when they become available.

(2) Analysis of the number of additional hunters that would purchase each stamp due to the expanded list of species included in each stamp. TPWD anticipates an additional 65,385 hunters would purchase the migratory game bird stamp, and an additional 79,254 hunters would purchase the upland game bird stamp. TPWD indicates these estimates were derived from hunter surveys indicating the number of hunters of each species, adjusted for any overlap among species (i.e., white-wing dove hunters who also hunt waterfowl.)

(3) Total proceeds associated with each stamp were calculated based on the estimated number of hunters (420,385 for Migratory and 206,491 for Upland) multiplied by the stamp fee of \$7, and adjusted to reflect the 5 percent fee retained by license agents.

The Upland Game Bird stamp would generate annual revenue of \$1,373,165, and the Migratory Game Bird stamp estimated annual revenue of \$2,795,560, or combined, a total of \$4,168,725 in estimated new revenue per fiscal year.

Revenue from Collector's Edition Stamps and Other Items: The amount for collector's stamp edition sets, based on historical data, would provide a small amount of additional revenue. Based on historical information regarding the sale of both prints and collector's stamp sales, TPWD estimates a revenue gain of \$17,841 per year, which would be split evenly between the two new stamp funds.

Repeal of Subchapters B, J and K, of Chapter 43, Parks and Wildlife Code: Section 3 of the bill would repeal existing statutory provisions regarding the sale and issuance of white-wing dove, turkey and waterfowl stamps. Based on 2004 allocations to each stamp, elimination of these three stamps would result in a revenue loss to the Game, Fish and Water Safety Account in the amount of \$2,254,004 each year, which would be offset by a revenue gain for the two new stamps in the amount of \$4,186,566 each year (\$4,168,725 in stamp sales and \$17,841 in collector's stamp sales).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department, 304 Comptroller of Public Accounts

LBB Staff: JOB, DLBa, WK, ZS, TB