

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 26, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB550 by Dutton (Relating to an exemption to the requirement for a fishing license for residents of a certain age.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB550, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2013.

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 amend the Parks and Wildlife Code to provide that general fishing license fees for residents aged 75 or older be waived. The bill would take immediate effect with a two-thirds vote of all members. Otherwise, the bill would take effect September 1, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from Game, Fish, Water Safety Ac 9
2012	(\$356,400)
2013	(\$423,760)
2014	(\$503,851)
2015	(\$599,078)
2016	(\$712,304)

Fiscal Analysis

The Texas Parks and Wildlife Department estimates a revenue loss of \$356,400 in fiscal year 2012, \$423,760 in fiscal year 2013, \$503,850 in fiscal year 2014, \$599,078 in fiscal year 2015 and \$712,304 in fiscal year 2016 in the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 would result from passage of this legislation. This analysis is based upon licenses and stamps purchased by residents 75 years or older in fiscal year 2010 and takes into account any additional revenue loss that may occur in future years due to the aging of the population, which results in an increase number of seniors who would have license fees waived.

Methodology

The following analysis is based upon the assumption that the number of licenses purchased by residents aged 75 and over remains at fiscal year 2010 levels.

Revenue Loss

Daily Fishing Licenses:

The per license fee and number of resident senior fishing license holders in fiscal year 2010 are as follows:

Senior One Day All water Fishing: \$11 @ 374 = \$4,114
Senior Two Day All water Fishing: \$22 @ 19 = 418
\$4,565

Retail business (license agents such as Wal-Mart) charge a fee of approximately 4% per license; resulting in a net revenue loss to TPWD of $\$4,565 * 96\% = \$4,382$

General Fishing Licenses:

The per license fee and number of resident senior fishing license holders in fiscal year 2010 are as follows:

Senior Resident Freshwater Fishing: \$12 @ 8,252 = \$99,024
Senior Resident Saltwater Fishing: \$17 @ 2,013 = 34,221
Senior Resident All water Fishing: \$22 @ 3,357 = 73,854
\$207,099

This would result in a net of license agent fee revenue loss of $\$207,099 * 96\% = \$198,815$.

Combo Hunting and Fishing Licenses:

The per license fee and number of resident senior fishing license holders in fiscal year 2010 is as follows:

Senior Combo Hunting and Freshwater Fishing: \$16 @ 3,365 = \$53,840
Senior Combo Hunting and Saltwater Fishing: \$21 @ 167 = 3,507
Senior Combo Hunting and All water Fishing: \$26 @ 674 = 17,524
\$74,871

This would result in a net of license agent fee revenue loss of $\$74,871 * 96\% = \$71,876$.

Super Combo Hunting and Fishing Licenses:

The Super Combo includes a resident hunting license, a resident fishing license and all hunting and fishing stamps (archery, upland, migratory hunting; freshwater and saltwater fishing stamps)

The per license fee and number of resident senior fishing license holders in fiscal year 2010 is as follows:

Senior Super Combo Package: \$32 @ 6,735 = \$215,520.

This would result in a net of license agent fee revenue loss of $\$215,520 * 96\% = \$206,899$.

Revenue Gain

General Hunting License (\$7 per license):

Assuming those seniors who purchased Combo and Super-Combo licenses (hunting and fishing) would still desire to hunt, TPWD would recognize a revenue gain.

Senior Hunting License: $(3,365 + 167 + 674 + 6,735) = 10,941 @ \$7 = \$76,587$.

This would result in a net of license agent fee revenue gain of $\$76,587 * 96\% = \$73,524$.

Hunting Stamps (\$7 per stamp):

Assuming those seniors who purchased the Super Combo Package would still desire to hunt the game requiring hunting stamps, TPWD would recognize a revenue gain. Through surveys TPWD asks Super Combo holders which "activities" (stamps) they used. This averages out to approximately 1.15 stamps per user.

Hunting Stamps (in lieu of Super Combo): $6,735 * 1.15 = 7,745 @ \$7 = \$54,217$.

This would result in a net of license agent fee revenue gain of $\$54,217 * 96\% = \$52,048$.

Summary:

In total, the estimated net revenue loss per fiscal year to the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 is as follows:

Daily Fishing:	(\$4,382)
General Fishing:	(\$198,815)
Combo:	(\$71,876)
Super Combo:	(\$206,899)
General Hunting:	\$73,524
Hunting Stamps:	<u>\$52,048</u>
Total:	(\$356,400)

Growth Factor: The population of Texas is aging, resulting in an increasing population of seniors who would have their fishing license fee waived. In recent years, TPWD reports it has experienced a strong growth of seniors (75 and over) purchasing fishing licenses. Using the conservative growth rate of 18.90%, experienced from FY2009 to FY2010, this analysis applies this growth rate (compounding) each year in fiscal years 2013-2016. FY 2013, $\$356,400 * 1.189 = \$423,760$; FY 2014, $\$423,760 * 1.189 = \$503,851$; FY 2015, $\$503,851 * 1.189 = \$599,078$; FY 2016, $\$599,079 * 1.189 = \$712,304$.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: JOB, SZ, ZS, TB, KM