

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 5, 2011

TO: Honorable Ryan Guillen, Chair, House Committee on Culture, Recreation & Tourism

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

IN RE: HB550 by Dutton (Relating to general fishing license fees for residents 65 years old or over.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB550, As Introduced: 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 65 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	(\$2,358,876)
2013	(\$2,358,876)
2014	(\$2,358,876)
2015	(\$2,358,876)
2016	(\$2,358,876)

Fiscal Analysis

The Texas Parks and Wildlife Department estimates a revenue loss of \$2,358,876 per fiscal year in the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 to result from passage of this legislation. This analysis is based upon licenses and stamps purchased by residents 65 years old or over in fiscal year 2010 and does not take into account any additional revenue loss that may occur in future years due to the aging of the population, which would result in an increasing number of seniors who would have license fees waived.

Methodology

The following analysis is based on the assumption that the number of licenses purchased by residents aged 65 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 @ 2,207 = \$24,277

Senior Two Day All water Fishing: \$22 @ 84 = 1,848

Total = \$26,125

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 $\$26,125 * 96\% = \$25,080$

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 @ 51,941 = \$623,292

Senior Resident Saltwater Fishing: \$17 @ 11,479 = 195,143

Senior Resident All water Fishing: \$22 @ 25,797 = 567,534

Total = \$1,385,969

This would result in a net loss in license agent receipts of $\$1,385,969 * 96\% = \$1,330,530$.

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 @ 17,436 = \$278,976

Senior Combo Hunting and Saltwater Fishing: \$21 @ 705 = 14,805

Senior Combo Hunting and All water Fishing: \$26 @ 4,073 = 105,898

Total = \$399,679

This would result in a net loss in license agent receipts of $\$399,679 * 96\% = \$383,692$.

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 @ 47,250 = \$1,512,000.

This would result in a net loss in license agent receipts of $\$1,512,000 * 96\% = \$1,451,520$.

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: $(17,436 \text{ plus } 705 \text{ plus } 4,073 \text{ plus } 47,250) = 69,464 @ \$7 = \$486,248$.

This would result in a net license agent fee revenue gain of $\$486,248 * 96\% = \$466,798$.

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): $47,250 * 1.15 = 54,338 @ \$7 = \$380,363$.

This would result in a net license agent fee revenue gain of $\$380,363 \times 96\% = \$365,148$.

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:	(\$25,080)
General Fishing:	(\$1,330,530)
Combo:	(\$383,692)
Super Combo:	(\$1,451,520)
General Hunting:	\$466,798
Hunting Stamps:	\$365,148
Total:	(\$2,358,876)

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: JOB, KM, ZS, TB