

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0127-02
Bill No.: SB 56
Subject: Agriculture and Animals; Conservation Department
Type: Original
Date: January 16, 2015

Bill Summary: This proposal modifies hunting, fishing, and trapping permit fees for Missouri residents.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Conservation Commission	Up to (\$42,254,392)	Up to (\$42,254,392)	Up to (\$42,254,392)
Total Estimated Net Effect on Other State Funds	Up to (\$42,254,392)	Up to (\$42,254,392)	Up to (\$42,254,392)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 252.227 - Hunting, Fishing, and Trapping Permit Fees:

Officials from the **Department of Conservation (MDC)** state this proposal would result in a negative fiscal impact to the Conservation Commission Fund.

MDC assumes they would be unable to collect approximately \$20,000,000 in annual revenue from hunting, fishing, and trapping permit fees sold each year.

MDC state proceeds from permit sales are used to calculate Missouri's share of revenue from the federal reimbursement of excise taxes collected on the sales of outdoor sporting goods. Federal programs such as the U.S. Fish and Wildlife Service's Wildlife and Sport Fish Restoration Programs (*Pittman-Robertson Act of 1937, Dingell-Johnson Act of 1950 and Wallop-Breaux Act 1984*) are funded by excise taxes on firearms, ammunition, archery equipment, fishing equipment, trolling motors, etc. Funds are distributed to the states based on a formula that includes the total area of each state and the number of paid hunting or fishing license holders in each state. Annual federal reimbursements to Missouri are in the range of \$17 per hunter and \$11 per angler.

MDC notes it cannot claim Federal reimbursements for free permits, including existing hunting and fishing permit exemptions.

MDC assumes the proposal would negatively impact Federal funding from the Wildlife Restoration Program and the Sport Fishing Restoration Program for an estimated loss of an additional \$21,000,000 to the Conservation Commission Fund.

Oversight notes according to the MDC Conservation Briefing for 2015-2016, Missouri has an estimated 576,000 hunters and 1,000,000 anglers. The current annual Missouri resident fishing permit is \$12. The current Missouri resident Any-Deer Permit is \$17. In FY14 MDC sold 1,697,217 total hunting, fishing, and trapping permits to Missouri residents. MDC Missouri resident permit revenues in FY14 totaled \$21,254,392

Oversight assumes this proposal permits a service fee of \$2 credited to the permit issuing agent, a customer service convenience fee of \$2 for telephone or electronic media sales of permits, and a replacement fee of \$2 for lost, destroyed, or mutilated hunting, trapping, and fishing permits.

ASSUMPTION (continued)

Oversight assumes the amount of service fee revenues is unknown but would be insufficient to replace the current MDC hunting, fishing, and trapping permit fee revenues. Therefore, **Oversight** will show a loss up to (\$21,254,392) from the loss of Missouri resident permit fees and (\$21,000,000) from the loss of federal reimbursement funds from Federal Wildlife and Sport Fishing Restoration Programs for a total loss up to (\$42,254,392) to the Conservation Commission Fund each fiscal year.

Officials from the **Office of Administration - Division of Budget and Planning (B&P)** assume this proposal would prevent the Department of Conservation from charging hunting, fishing, or trapping permit fees for Missouri residents with the exception of a service fee, customer convenience fee, or replacement fee.

B&P assumes this could decrease total state revenues and impact the state's Article X, Section 18(e) calculation.

Officials from the **Department of Revenue** and **State Treasurer's Office** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
CONSERVATION COMMISSION FUND			
<u>Loss - Missouri Resident Permit Fees</u>			
§ 252.227 - Removal of Hunting, Fishing, and Trapping Permit Fees	Up to (\$21,254,392)	Up to (\$21,254,392)	Up to (\$21,254,392)
<u>Loss - Federal Reimbursement Revenue</u>			
§ 252.227 - Removal of Hunting, Fishing, and Trapping Permit Fees	<u>(\$21,000,000)</u>	<u>(\$21,000,000)</u>	<u>(\$21,000,000)</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	Up to <u>(\$42,254,392)</u>	Up to <u>(\$42,254,392)</u>	Up to <u>(\$42,254,392)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 252.227 - Hunting, Fishing, and Trapping Permit Fees:

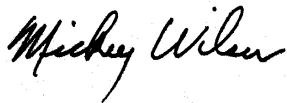
Under current law the Missouri Department of Conservation (MDC) charges fees for the acquisition of hunting, fishing, and trapping permits. With this proposal MDC and its permit issuing agents shall not charge a permit fee for a hunting, fishing, or trapping permit except for a service fee, a customer convenience fee, or a replacement fee, which are each limited to \$2 for Missouri residents.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Conservation
Office of Administration -
 Division of Budget and Planning
Department of Revenue
State Treasurer's Office



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January 16, 2015

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