



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Legislative Fiscal Note

Short Title: Wildlife Resources Commission Amends.
Bill Number: House Bill 597 (Fourth Edition)
Sponsor(s): Representatives Adams, Henson, Wray, and Yarborough

SUMMARY TABLE

	FISCAL IMPACT OF H.B.597 v. 4				
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Special Fund Revenues	\$2,407,123	\$2,407,123	\$2,407,123	\$2,407,123	\$2,407,123
<u>Less Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Fund Impact	\$2,407,123	\$2,407,123	\$2,407,123	\$2,407,123	\$2,407,123

FISCAL IMPACT SUMMARY

H.B. 597 will create about \$2.4 million in revenue for the Wildlife Resources Commission (WRC) through an increase in license fees, permits, and certifications.

FISCAL ANALYSIS

Section 6: Current Licenses and Permits

Section 6 includes fee changes to 17 currently existing licenses and permits which will generate approximately \$2.4 million for WRC as shown in Table 1. This estimate was determined by averaging the total number of licenses sold and the total amount of revenue collected for each license over the last five years. The average number sold was then multiplied by the proposed new fee to determine how much revenue the fee increases may yield for WRC. The average revenue was then subtracted from the proposed revenue to estimate the total increase to WRC as a result of the changes proposed in this bill.

The estimate shown in Table 1 will be affected by the elasticity of these licenses. Consumers may be willing to pay \$5 for a Captivity Holding License, but they may consider \$50 to be too high of a cost and may choose to not purchase the license at all. Also, 11 of the 17 licenses have shown a steady decline in the number of licenses sold in the last five years. The largest decline is in the sale of the Taxidermy License which sold 49% less in FY 2017-18 than in FY 2013-14. The \$40 increase to this license may encourage the decline in Taxidermy License sales to continue. For these reasons it is not likely that WRC will collect more than \$2.4 million in increased revenue to WRC as a result of H.B. 597.

The funds collected from the licenses in Table 1 will all be deposited in a special fund within WRC to support agency-wide initiatives. All of the divisions within WRC are supported by license revenue in their operating budgets. According to WRC, the funds may be used to mitigate any budget shortfalls caused by increasing operational and personnel costs.

Table 1: New Revenue to WRC from Increases to Existing Licenses

	License	H.B. 597	Fees		5 Year Average		Proposed Changes	
			Current	Proposed	# Sold	Revenue	Revenue	Increase to WRC
1	Resident Annual Hunting and Fishing	Section 6.(b)	\$25	\$35	13,567	\$339,175	\$474,845	\$135,670
2	Resident Hunting	Section 6.(d)	\$20	\$25	30,739	\$614,780	\$768,475	\$153,695
3	Nonresident Season Hunting	Section 6.(d)	\$80	\$100	6,442	\$515,360	\$644,200	\$128,840
4	Nonresident 10-Day Hunting	Section 6.(d)	\$60	\$80	7,728	\$463,680	\$618,240	\$154,560
5	Nonresident Season Big Game Hunting	Section 6.(e)	\$80	\$100	4,383	\$350,612	\$438,265	\$87,653
6	Nonresident 10-Day Big Game Hunting	Section 6.(e)	\$60	\$80	4,529	\$271,764	\$362,352	\$90,588
7	Resident Inland Fishing	Section 6.(g)	\$20	\$25	210,649	\$4,212,971	\$5,266,214	\$1,053,243
8	Nonresident Inland Fishing	Section 6.(g)	\$36	\$45	27,955	\$1,006,369	\$1,257,962	\$251,592
9	Resident 10-Day Inland Fishing	Section 6.(g)	\$7	\$9	25,413	\$177,889	\$228,715	\$50,826
10	Nonresident 10-Day Inland Fishing	Section 6.(g)	\$18	\$23	46,196	\$831,532	\$1,062,513	\$230,981
11	Mountain Heritage Trout	Section 6.(g)	\$5	\$8	3,275	\$16,375	\$26,200	\$9,825
12	Wildlife and Scientific Fish Collection	Section 6.(j)	\$5	\$10	82	\$411	\$822	\$411
13	Captivity Holding	Section 6.(k)	\$5	\$50	71	\$357	\$3,570	\$3,213
14	Captivity Rehabilitation	Section 6.(k)	\$5	\$10	481	\$2,404	\$4,808	\$2,404
15	Controlled Hunting Preserve Operator	Section 6.(l)	\$50	\$100	356	\$17,780	\$35,560	\$17,780
16	Game Bird Propagation	Section 6.(l)	\$5	\$10	472	\$2,362	\$4,724	\$2,362
17	Taxidermy License	Section 6.(l)	\$10	\$50	837	\$8,370	\$41,850	\$33,480
							Total:	\$2,407,123

Section 6: New Licenses, Permits, and Certifications

Section 6 also includes ten new licenses, permits, and certifications as shown in Table 2. A revenue estimate is not available for eight of these new items as there is no historic sales data available. Two, estimates however, can be predicted based on similar items currently sold by WRC. These estimates, while included in the fiscal memo, are not included in the total fiscal impact of H.B. 597 since both items are new.

The Cervid Certification is a \$5 certification that H.B. 597 requires of licensed taxidermists. This requirement would be in addition to the \$50 Taxidermy License. Currently, 95% of the licensed taxidermies work with cervids and would need the additional certification. The average number of

Taxidermy Licenses sold over the last five years is 837, 95% of which is 795. The projected revenue for 795 Cervid Certifications at \$5 is \$3,978. These funds shall be used to fund the Cervid Health Cooperator Program and for other chronic wasting disease surveillance.

The second estimate that can be predicted is the Lifetime Trapping License. WRC estimates that 1% of the current Annual Trapping License holders will purchase a lifetime license based on comparisons to other annual and lifetime licenses that the agency sells. The average number of Annual Trapping Licenses sold over the last five years is 2,166, 1% of which is 22. The projected revenue for 22 Lifetime Trapping Licenses at \$300 is \$6,600.

The funds collected from all of the items in Table 2, other than the Lifetime Trapping License, will all be deposited in a Special Fund within WRC to support agency-wide initiatives. All of the divisions within WRC are supported by license revenue in their operating budgets. According to WRC, the funds may be used to mitigate any budget shortfalls caused by increasing operational and personnel costs.

The funds collected from the Lifetime Trapping License will be deposited in the Wildlife Resources Endowment as required in H.B. 597. The interest earned on the funds deposited in the Endowment Fund cannot be spent until the license-holder is 16 years of age. At that point, the interest can be spent on furthering the conservation of wildlife and increasing the efficiency of WRC.

Table 2: New Licenses, Permits, and Certifications

	License	H.B. 597	Proposed Fees
1	Falconry Hunting License	Section 6.(d)	\$25
2	Lifetime Trapping License	Section 6.(f)	\$300
3	Cervid Certification	Section 6.(l)	\$5
4	Wildlife Control Agent License	Section 6.(l)	\$50
5	Alligator Control Agent Certification	Section 6.(l)	\$25
6	Possession Permit	Section 6.(m)	\$10
7	Exportation/Importation Permit	Section 6.(m)	\$10
8	Trophy Wildlife Sale Permit	Section 6.(m)	\$10
9	Endangered Species Permit	Section 6.(m)	\$10
10	Field Trial Permit	Section 6.(m)	\$10

Section 9: The Beaver Management Assistance Program

Section 9 increases the fee for counties who wish to participate in the Beaver Management Assistance Program (BMAP) from \$4,000 to \$6,000 each year. There are currently 42 counties

participating in BMAP. Their participation fees in FY 2017-18 amounted to \$168,000. The increase proposed in H.B. 597 would collect \$252,000, an increase of \$84,000 for BMAP. These fees are not collected by WRC but go directly to the US Department of Agriculture – Wildlife Services Division who administers the federal program. WRC will not experience an increase in revenue due to the increased fee to the BMAP Program in Section 9.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

Wildlife Resources Commission.

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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