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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 257 of the 132nd G.A.

**Status:** As Passed by the House

**Sponsor:** Sens. Uecker and O'Brien

**Local Impact Statement Procedure Required:** No

**Subject:** Creates multi-year and lifetime hunting and fishing licenses and makes other changes to the law governing hunting and fishing

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### State Fiscal Highlights

Taken together, the provisions of the bill may impact license revenue deposited to the credit of the Wildlife Fund (Fund 7015). However, because of a number of unknowns, including (1) the number of hunters and anglers that might purchase multi-year and lifetime hunting and fishing licenses rather than annual licenses, (2) the amount earned by investments of balances in the Multi-year and Lifetime License Fund, (3) the number of nonresident anglers that would purchase a Lake Erie Sport Fishing District permit, or (4) the number of anglers that might be exempted from the requirement to have a fishing license, it is difficult to estimate the magnitude of any impact the bill may have. Potential impacts are highlighted in the bullet points below and more thoroughly discussed under the Detailed Fiscal Analysis section that follows.

#### **Multi-year, lifetime, and combination hunting and fishing licenses**

- The fee for multi-year licenses would be approximately 5% less when compared to the full retail cost (license fee + writing fee) of regular annual licenses for the same number of years. Fees for lifetime licenses would be equivalent to up to 25 years of regular annual licenses for youth and adults, and nine years for regular senior annual licenses.
- Revenue from the sale of multi-year and lifetime licenses would be deposited into the Multi-year and Lifetime License Fund, which the bill creates. A prorated amount of the multi-year and lifetime license fees would then be transferred from the Multi-year and Lifetime License Fund to Fund 7015 each year. Additionally, investment earnings of the Multi-year and Lifetime License Fund would be deposited to the credit of Fund 7015.
- The bill authorizes the Chief of the Division of Wildlife to create combination packages with various hunting and fishing licenses and permits. These must be offered at a discount of not more than 5% compared to the cost of purchasing the licenses and permits separately.

- The bill changes the writing fee collected and retained by license agents from \$1.00 per issued license to the greater of \$1.00 or 4% of the license fee. This provision has no effect on revenue deposited to the credit of Fund 7015.

### **Nonresident youth hunting licenses**

- The bill reduces the cost of annual hunting licenses for nonresident hunters 17 years old and younger to \$9.00. Under current law, the cost for all nonresident hunters is \$140.50 for calendar year (CY) 2018, \$157.00 for CY 2019, and \$174.00 for CY 2020 and beyond.

### **Lake Erie Sport Fishing District permits**

- The bill requires nonresident anglers to buy a new Lake Erie Sport Fishing District permit to fish from Lake Erie or its embayments and tributaries between January 1st and April 30th each year. The fee for this permit is \$10. This would result in some additional revenue for Fund 7015 to be used only for purposes specified in the bill.

### **Fishing license exemptions**

- The bill authorizes the Chief of the Division of Wildlife to issue exemptions to the requirement that all anglers acquire fishing licenses to fish in the state. According to the Department of Natural Resources, these exemptions would be issued in limited circumstances to participants of certain fishing tournaments and exhibitions. Revenue loss for Fund 7015 would likely be minimal at most.

## **Detailed Fiscal Analysis**

### **Multi-year, lifetime, and combination hunting and fishing licenses**

#### **Multi-year and lifetime licenses**

Under current law, resident hunters and anglers must purchase annual hunting and fishing licenses to hunt or fish in the state unless otherwise exempted from the licensing requirement. Hunters ages 18-65 and anglers ages 16-65 must purchase an adult hunting or fishing license. Hunters age 17 and younger must purchase a youth hunting license, and hunters and anglers age 66 and older must purchase senior hunting and fishing licenses. Youth anglers age 16 and under do not require a license to fish in Ohio. Fees for these licenses are \$18.00 for adult hunting and fishing licenses, \$9.00 for youth hunting licenses, and \$9.00 for senior hunting and fishing licenses. Revenue from the sale of all hunting and fishing licenses is deposited to the credit of Fund 7015. For the 2017-2018 hunting and fishing license year, approximately 880,000 adult annual hunting and fishing licenses, 33,000 youth annual hunting licenses, and 109,000 senior annual hunting and fishing licenses were sold. Together these licenses provided more than \$17.0 million in revenue for Fund 7015.

In addition to annual licenses under continuing law, the bill allows the Chief of the Division of Wildlife to issue multi-year and lifetime hunting and fishing licenses to Ohio residents. These include the following: (1) 3-year, 5-year, 10-year, and lifetime

adult hunting and fishing licenses, (2) 3-year, 5-year, 10-year, and lifetime youth hunting and fishing licenses, and (3) 3-year, 5-year, and lifetime senior hunting and fishing licenses. Fees for these multi-year and lifetime licenses are shown in the table below.

| <b>Multi-year and Lifetime Hunting and Fishing License Fees under S.B. 257</b> |                                     |                    |
|--------------------------------------------------------------------------------|-------------------------------------|--------------------|
| <b>License Class</b>                                                           | <b>License Type</b>                 | <b>License Fee</b> |
| Adult                                                                          | 3-year hunting or fishing license   | \$52.00            |
|                                                                                | 5-year hunting or fishing license   | \$86.75            |
|                                                                                | 10-year hunting or fishing license  | \$173.50           |
|                                                                                | Lifetime hunting or fishing license | \$450.00           |
| Youth                                                                          | 3-year hunting or fishing license   | \$27.50            |
|                                                                                | 5-year hunting or fishing license   | \$45.75            |
|                                                                                | 10-year hunting or fishing license  | \$91.50            |
|                                                                                | Lifetime hunting or fishing license | \$414.00           |
| Senior                                                                         | 3-year hunting or fishing license   | \$27.50            |
|                                                                                | 5-year hunting or fishing license   | \$45.75            |
|                                                                                | Lifetime hunting or fishing license | \$81.00            |

Money derived from fees for multi-year or lifetime licenses must be deposited into the Multi-year and Lifetime License Fund created by the bill. As a result, for each multi-year and lifetime license sold, there would be a decrease in license revenue deposited to the credit of Fund 7015 for each year in which an annual license would have otherwise been sold. However, for multi-year licenses, any revenue loss would be at least partially offset by the bill's requirement that a prorated amount of the money from each multi-year and lifetime license fee be transferred from the Multi-year and Lifetime License Fund to Fund 7015 each year. The bill also specifies that investment earning of the Multi-year and Lifetime License Fund be deposited to the credit of Fund 7015, which could further offset any revenue loss.

Under the bill, the prorated amount for each multi-year license must equal the total amount of the fee charged for the license divided by the number of years the license is valid. This equates to an annual transfer amount of about \$17.35 for each adult multi-year license, and roughly \$9.15 for each youth and senior multi-year license, amounts that are approximately 4% less than the fees deposited to Fund 7015 for annual adult hunting and fishing licenses and roughly 2% more than fees for annual youth and senior licenses. For lifetime licenses, the bill requires the Chief to adopt rules governing the proration of lifetime license fees to be transferred to Fund 7015. If prorated at the full annual license amount (\$18.00 adult, \$9.00 youth/senior), each senior lifetime license fee deposited to the Multi-year and Lifetime License Fund could support transfers to Fund 7015 for nine years while youth and adult lifetime license fees could support these transfers for up to 25 years. It should be noted that although the transfers from the Multi-year and Lifetime License Fund to Fund 7015 for adult multi-year licenses do not

fully replace the revenue that would otherwise be received for annual licenses, it could be the case that some hunters and anglers that purchase a multi-year or lifetime license would not have otherwise purchased an annual license in each of the years that the multi-year or lifetime license is valid. In those cases, Fund 7015 will receive revenue via the transfers that it would not have otherwise received. Because of these differing potential effects, it is difficult to assess what the fiscal impact of offering the multi-year licenses could be on the Division of Wildlife.

### **Impact on federal grants**

A portion of the total revenue deposited to Fund 7015 is derived from grant money under two federal laws. These federal laws are the (1) Aid in Wildlife Restoration Act of 1937 (Pittman-Robertson Act), and (2) Federal Aid in Sport Fish Restoration Act of 1950 (Dingell-Johnson Act). Under these grants, a portion of the funding is provided based on the number of paid hunting and fishing licenses issued. To be considered paid licenses, the state must receive revenue that exceeds the cost of producing the license by at least one dollar each year. The bill's provision requiring the transfer of prorated amounts from the Multi-Year and Lifetime License Fund to Fund 7015 appears to satisfy the grant requirement that the state receive at least one dollar in revenue for each year of a multi-year license's validity. However, it is unclear if the state could continue counting lifetime licenses as paid licenses once the full amount collected on those licenses has been transferred to Fund 7015.

The Pittman-Robertson Act provides formula grant funding to state wildlife agencies. Wildlife restoration grant awards are determined by a formula that provides 50% of the funding based on the land area of the state, and 50% by the number of paid hunting licenses issued. According to the United States Department of the Interior, grant awards under the Pittman-Robertson Act total nearly \$16.5 million for federal fiscal year (FFY) 2018. Similarly, grants under the Dingell-Johnson Act, 60% of the funding is based on the number of paid fishing licenses issued, while 40% is based on the land area of the state. For FFY 2018, Dingell-Johnson funding is expected to be almost \$6.9 million.

### **Combination hunting and fishing licenses**

The bill authorizes the Chief to create combination packages with various hunting and fishing licenses and permits, but the charges for these packages must be at a discounted rate that is not less than 5% below rates that would normally apply to each individual license and permit. If the chief offers combination packages, there will be a loss of license revenue deposited to Fund 7015. Any loss of revenue will depend on the specific package and the discount authorized by the Chief.

### **Nonresident youth hunting licenses**

H.B. 49 of the 132nd General Assembly, the operating appropriations act for the FY 2018-FY 2019 biennium, increased hunting license fees for nonresident hunters of any age to \$140.50 for calendar year (CY) 2018, \$157.00 for CY 2019, and \$174.00 for

CY 2020 and beyond. Previously, nonresident youth hunters were eligible for youth hunting licenses, the fee for which is \$9.00. The bill returns fees for nonresident youth hunting licenses to the \$9.00 amount. As a result, license revenue deposited to the credit of Fund 7015 may be less than it would otherwise have been under the license fees established by H.B. 49.

### **Lake Erie Sport Fishing District permits**

The bill creates the Lake Erie Sport Fishing District permit, to be issued by the Division of Wildlife to nonresidents who wish to fish in Lake Erie and its embayments between January 1 and April 30 each year. The fee for the annual permit is \$10 and all money derived from the fees must be deposited into Fund 7015. However, money generated from Lake Erie Sport Fishing District permits can only be used for five specific purposes that benefit sport fishing in and the protection of the Lake Erie Sport Fishing District area defined in the bill. Please see the LSC Bill Analysis for these details.

### **Fishing license exemptions**

Currently, both residents and nonresidents 16 years old and older are prohibited from taking or catching any fish by angling in any of Ohio waters or engaging in fishing in those waters without a license unless otherwise provided in specified provisions of state law. The bill grants the Chief discretion to issue exemptions to the license requirement. According to the Department of Natural Resources, these exemptions would likely be extended to participants of special events such as certain fishing tournaments and exhibitions. Although there could be some loss of license revenue deposited to the credit of Fund 7015, any loss would likely be minimal at most.

### **Provisions with no apparent fiscal effect**

The bill also makes several changes that have no apparent fiscal effect. These include authorizing the use of all-purpose vehicles by mobility-impaired hunters while hunting on public or private land, changes to the apprentice hunting program, increasing fees paid to licensing agents by applicants for hunting and fishing licenses, and changes to the valid dates of certain hunting and fishing licenses and permits. Please see the LSC Bill Analysis for details concerning these changes.