



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0521 - Revising laws related to conservation licenses on state lands (Loge, Denley M)

**Status:** As Introduced

- Significant Local Gov Impact     
 Needs to be included in HB 2     
 Technical Concerns  
 Included in the Executive Budget     
 Significant Long-Term Impacts     
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$664,275	\$664,275	\$664,275	\$664,275
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$87,868)	(\$87,868)	(\$87,868)	(\$87,868)
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 521 changes the license required of a person using state lands for recreational purposes, other than hunting or fishing. Currently, a person using state lands for recreational purposes other than hunting or fishing is required to purchase a State Lands Recreational Use Permit. Under this bill, a person using state lands for recreational purposes other than hunting or fishing would be required to purchase a conservation license.

### FISCAL ANALYSIS

**Assumptions:**

1. There is a memorandum of understanding (MOU) between the Department of Natural Resources and Conservation (DNRC) and the Department of Fish, Wildlife and Parks (FWP) regarding the sale and transfer of revenue from state land recreational use permits. These permits are made available for sale through FWP's licensing sales system.
2. As outlined in 77-1-802, MCA, 50 cents from every state land recreational use permit sold is returned to the license dealer as a commission. Per the MOU, this is retained by FWP to be returned to the license dealer. In

addition, a handling fee of 22 cents per permit is retained by FWP. The remaining revenue is transferred to DNRC.

- The following table shows the quantity of state land recreational permits sold in FY 2022, and the allocation of that revenue:

State Land Recreational Permit Type	Price	Quantity sold	Commission (\$0.50/permit)	Handling Fees (\$0.22/permit)	Total Revenue to DNRC
Youth and Senior (17 and younger, or senior, 60 and older)	\$5.00	5,740	\$2,870.00	\$1,262.80	\$24,567.20
Adult (18 years or older)	\$10.00	11,401	\$5,700.50	\$2,508.22	\$105,801.28
Family (permit holder plus five immediate family members)	\$20.00	4,554	\$2,277.00	\$1,001.88	\$87,801.12
<b>Totals</b>		<b>21,695</b>	<b>\$10,847.50</b>	<b>\$4,772.90</b>	<b>\$218,169.60</b>

- As outlined in 77-1-815, MCA, a person recreating on state land to hunt or fish does not need to purchase a DNRC state land recreational permit. Instead, FWP pays DNRC for the use and impacts associated with hunting, fishing, and trapping on legally accessible state trust land. This statute authorizes both departments to enter into an agreement to determine how FWP will make this payment to DNRC. Under the terms of the current MOU, FWP pays DNRC \$2 for every conservation license (a pre-requisite for all hunting and fishing licenses) sold.
- In FY 2022, FWP sold 537,852 conservation licenses, and paid DNRC a total of \$1,075,704 for hunting and fishing use and associated impacts on state land.
- A new MOU, contingent upon the passage of this bill, would increase the amount FWP would be required to pay DNRC from \$2 of every conservation license to \$3.50.
- FWP assumes that the number of hunters and anglers purchasing a conservation license would remain constant for future years. In addition, FWP assumes the number of recreational users who previously purchased a state lands use permit would now purchase a conservation license in future years. Note that FWP does not know how many individual recreationists are currently represented in the family state lands recreational use permit, so the agency assumes one adult individual per family permit, knowing that to be an underestimate. The following table shows the estimated revenue and change from FY 2022 revenue to DNRC:

License sales from:	Quantity	Payment to DNRC (\$3.50/license)	Difference from FY 2022
Conservation License (Hunters and Anglers)	537,852	\$1,882,482.00	\$806,778.00
Conservation License (Recreational State Land Users)	21,695	\$75,932.50	-\$142,502.60
<b>Total</b>	<b>559,547</b>	<b>\$1,958,414.50</b>	<b>\$664,275.40</b>

- Section 27 of this bill provides an appropriation of \$670,000 for each fiscal year to FWP. This appropriation would be used by FWP to pay the increased amount established in the new MOU to DNRC for the recreational use of state lands. This is reflected in the fiscal note as an expenditure. Under state accounting policy, MOM volume II chapter 2-5000, this is considered a payment to DNRC in exchange for services (state land access to FWP constituents), not a transfer of revenue.
- With the passage of this bill, the revenue from recreational state land users who are not hunters or anglers would change. The FWP does not know how many recreational state land users are residents and how many are nonresidents. Therefore, the department can only estimate a range of the potential change in revenue. FWP does not know if these recreational users would choose to voluntarily donate \$0.25 to the search and rescue fund when purchasing their conservation license, so the below tables assume they would not choose to donate. Table 1 below shows the highest (assuming all recreational users are nonresidents) potential change in revenue, and table 2 shows the lowest (assuming all recreational users are residents) potential change in

revenue:

**Table 1: Assuming at most, all recreational users are nonresidents**

Sate Land Recreational Permit Type	Quantity	Equivalent to:	*Price	Total Revenue	Payment to DNRC (\$3.50/license)	Retained by FWP
Youth and Senior (17 and younger, or senior, 60 and older)	5,740	Nonresident conservation license	\$9.75	\$55,965.00	\$20,090.00	\$35,875.00
Adult (18 years or older)	11,401	Nonresident conservation license	\$9.75	\$111,159.75	\$39,903.50	\$71,256.25
Family (permit holder plus five immediate family members)	4,554	Nonresident conservation license	\$9.75	\$44,401.50	\$15,939.00	\$28,462.50
<b>Total</b>	<b>21,695</b>			<b>\$211,526.25</b>	<b>\$75,932.50</b>	<b>\$135,593.75</b>

**Table 2: Assuming at the least, all recreational users are residents:**

Sate Land Recreational Permit Type	Quantity	Equivalent to:	*Price	Total Revenue	Payment to DNRC (\$3.50/license)	Retained by FWP
Youth and Senior (17 and younger, or senior, 60 and older)	5,740	Resident Youth or Senior Conservation License	\$3.88	\$22,271.20	\$20,090.00	\$2,181.20
Adult (18 years or older)	11,401	Resident Adult Conservation License	\$7.75	\$88,357.75	\$39,903.50	\$48,454.25
Family (permit holder plus five immediate family members)	4,554	Resident Adult Conservation License	\$7.75	\$35,293.50	\$15,939.00	\$19,354.50
<b>Total</b>	<b>21,695</b>			<b>\$145,922.45</b>	<b>\$75,932.50</b>	<b>\$69,989.95</b>

Total change in Revenue  $\$135,593.75 + \$69,989.95 = \$233,790$

10. Using the highest potential revenue change estimates from Table 1, the total change in revenue to FWP is as follows:

License	New Price Revenue	Current Revenue	change
Conservation License (Recreational State Land Users)	\$233,790	\$211,526.25	-\$22,263.75

11. Using the lowest potential revenue change estimates from Table 2, the total change in revenue to FWP is as follows:

License	New Price Revenue	Current Revenue	change
Conservation License (Recreational State Land Users)	\$233,790	\$145,922.45	-\$87,867.55

12. FWP assumes it is more likely that persons who previously purchased the state lands recreational use permit were residents, and for the purposes of this fiscal note, the revenue reported in the summary tables on page 2 and page 4 will be based on the change in revenue in assumption 11.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Transfer to DNRC increase	\$664,275	\$664,275	\$664,275	\$664,275
<b>TOTAL Expenditures</b>	<u>\$664,275</u>	<u>\$664,275</u>	<u>\$664,275</u>	<u>\$664,275</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue FWP	\$664,275	\$664,275	\$664,275	\$664,275
<b>TOTAL Funding of Exp.</b>	<u>\$664,275</u>	<u>\$664,275</u>	<u>\$664,275</u>	<u>\$664,275</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue FWP	(\$87,868)	(\$87,868)	(\$87,868)	(\$87,868)
<b>TOTAL Revenues</b>	<u>(\$87,868)</u>	<u>(\$87,868)</u>	<u>(\$87,868)</u>	<u>(\$87,868)</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$87,868)	(\$87,868)	(\$87,868)	(\$87,868)

  
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 Sponsor's Initials

2/20/2023  
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 Date

  
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 Budget Director's Initials

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