Bill #	SB0143		Title:	Generally revise laws re Class B-10 and Class B-11 elk and deer licenses

Primary Sponsor:	Ellsworth, Jason W		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

	FY 2022 Difference	FY 2023 Difference	FY 2024 Difference	FY 2025 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
State Special Revenue	$0	$0	$0	$0
Revenue:				
General Fund	$0	$0	$0	$0
State Special Revenue	($1,067,999)	($1,545,481)	($2,100,766)	($2,682,858)
Net Impact-General Fund Balance:	$0	$0	$0	$0

Description of fiscal impact: SB 143 creates a limited outfitted application and reserves 60% of available B-10 and B-11 licenses for these applicants. The limited outfitted application has a fee of $100. The application fee is to be deposited into a new limited outfitted Class B-10 and B-11 license account and is to be used for the Public Access Land Agreement program (PALA). This bill would remove the consumer price index (CPI) adjustment to the price of the Class B-10 (including the elk only B-10 combination license) and B-11 licenses. The time period in which persons not applying for a Class B-10 or B-11 may purchase a preference point would be extended another three months. The bill also reduces the time in which preference points may be accumulated from three consecutive years down to two consecutive years.

FISCAL ANALYSIS

Assumptions:
Department of Fish, Wildlife and Parks

1. By removing the CPI price adjustment from the Class B-10, the elk only B-10 combination license, and the B-11 licenses, the price for these would remain as stated in statute: a Class B-10 license would be priced at $981, an elk only B-10 combination license would be $831, and a Class B-11 license would be priced at $577.
2. This price change would also apply to any B-10 or B-11 licenses that are available at half-price to nonresidents such as nonresidents who are relatives of a resident (87-2-514, MCA), nonresidents who hunt with resident sponsors or family member(s) (87-2-526, MCA), nonresident youth combination licenses (87-2-522, MCA), and nonresident college student licenses (87-2-525, MCA). The half price for a Class B-10 license would be $490.50, $415.50 for the elk only combination, and the half price for a Class B-11 license would be $288.50.
3. To determine the fiscal impact of removing the CPI price adjustment, the department used CPI projections published in the report titled *An Update to the Economic Outlook: 2020 to 2030* (Congressional Budget Office, 2020, page 3). See the below tables for the CPI price adjustment calculations for these assumptions.

Table 1:

Calendar Year	CPI Price Increase
2022	1.2%
2023	1.9%
2024	2.2%
2025	2.2%

Table 2:

License Type	2021 Price	CPI-Adjusted Price Projection			
		2022	2023	2024	2025
B-10	$ 1,052	$ 1,064	$ 1,084	$ 1,107	$ 1,131
B-10 Elk	$ 888	$ 898	$ 915	$ 935	$ 955
B-11	$ 614	$ 621	$ 632	$ 645	$ 659
Half-Price B-10	$ 526	$ 532	$ 542	$ 553	$ 565
Half-Price B-10 Elk	$ 444	$ 449	$ 457	$ 467	$ 477
Half-Price B-11	$ 307	$ 310	$ 315	$ 321	$ 328

4. The department assumes the quantity of licenses sold in subsequent years will be comparable to the actual quantity sold in 2020.
5. All fiscal impact assumptions are based on a license year, starting March 1. The Fiscal Summary table and Fiscal Impact table are showing license year revenue, not state fiscal year revenue. The following tables show the revenue projection for CPI price-adjusted license sales compared to revenue if no CPI price-adjustment was made.

Table 3:

| License Type | Quantity (2020 Actuals) | Revenue Projection Using CPI-Adjusted Prices | | | |
		2022	2023	2024	2025
B-10	11769	$12,522,216	$12,757,596	$13,028,283	$13,310,739
B-10 Elk	5016	$4,504,368	$4,589,640	$4,689,960	$4,790,280
B-11	12060	$7,489,260	$7,621,920	$7,778,700	$7,947,540
Half-Price B-10	1576	$838,432	$854,192	$ 871,528	$890,440
Half-Price B-10 Elk	175	$78,575	$79,975	$81,725	$83,475
Half-Price B-11	1402	$434,620	$441,630	$450,042	$459,8586
Grand Total		**$25,867,471**	**$26,344,953**	**$26,900,238**	**$27,482,330**

Table 4:

| License Type | Base Price (In Statute) | Quantity (2020 Actuals) | Revenue Projection Using Base Price in Statute | | | |
			2022	2023	2024	2025
B-10	$981	11769	$11,545,389	$11,545,389	$11,545,389	$11,545,389
B-10 Elk	$831	5016	$4,168296	$4,168,296	$4,168,296	$4,168,296
B-11	$577	12060	$6,958,620	$6,958,620	$6,958,620	$6,958,620
Half-Price B-10	$490.50	1576	$773,028	$773,028	$773,028	$773,028
Half-Price B-10 Elk	$415.50	175	$72,713	$72,713	$72,713	$72,713
Half-Price B-11	$288.50	1402	$404,477	$404,477	$404,477	$404,477
Grand Total			**$23,922,523**	**$23,922,523**	**$23,922,523**	**$23,922,523**

Table 5:

| License Type | Estimated Change to Revenue | | | |
	2022	2023	2024	2025
B-10	($976,827)	($1,212,207)	($1,482,894)	($1,765,350)
B-10 Elk	($336,072)	($421,344)	($521,664)	($621,984)
B-11	($530,640)	($663,300)	($820,080)	($988,920)
Half-Price B-10	($65,404)	($81,164)	(98,500)	($117,412)
Half-Price B-10 Elk	($5,863)	($7,263)	($9,013)	($10,763)
Half-Price B-11	($30,143)	($37,153)	($45,565)	($55,379)
Grand Total	**($1,944,949)**	**($2,442,431)**	**($2,979,292)**	**($3,559,808)**

6. While the bill does not prohibit persons applying for a limited outfitted Class B-10 or B-11 license from applying for preference points, it does make it unnecessary for a person to have preference points to be drawn for the reserved limited outfitted licenses.
7. In 2020, 75% of total Class B-10 and B-11 applicants purchased a preference point. The department assumes the 75% of persons applying for a limited outfitted Class B-10 or B-11 license who did purchase preference points in the past would no longer purchase a preference point.
8. The department assumes the number of applicants for limited outfitted licenses would be comparable to the distribution of sales for B-10 and B-11 licenses in 2020; in 2020, the department sold 98.74% (16,785) of the available 17,000 B-10 licenses, and 100% (6,600) of the available 6,600 B-11 licenses.
9. The department assumes that of those 16,785 B-10 licenses, 60% would apply for a limited outfitted license, or 10,071.

10. The department assumes that of those 6,600 B-11 licenses, 60% would apply for a limited outfitted license, or 3960.

11. The department would gain $100 per applicant (or $1,403,100) in revenue for the PALA program, and would lose $50 per applicant in preference points they would no longer purchase, or $526,150 (75% * 14031 limited outfitted applicants * $50). See the below tables which shows the change to net revenue including the application fees for limited outfitted licenses, and the reduction of preference point purchases.

License Type	Outfitted License Applications	2022	2023	2024	2025
B-10	10,071	$1,007,100	$1,007,100	$1,007,100	$1,007,100
B-11	3,960	$396,000	$396,000	$396,000	$396,000
Subtotal	**14,031**	**$1,403,100**	**$1,403,100**	**$1,403,100**	**$1,403,100**
License Type	**Lost Preference Points**	2022	2023	2024	2025
B-10	7,553	($377,650)	($377,650)	($377,650)	($377,650)
B-11	2,970	($148,500)	($148,500)	($148,500)	($148,500)
Subtotal	**10,523**	**($526,150)**	**($526,150)**	**($526,150)**	**($526,150)**

	2022	2023	2024	2025
Net Revenue from License Sales	($1,944,949)	($2,422,431)	($2,977,716)	($3,559,808)
Outfitter Application Fees	$1,403,100	$1,403,100	$1,403,100	$1,403,100
Lost Preference Points	($526,150)	($526,150)	($526,150)	($526,150)
Total Net Revenue	**($1,067,999)**	**($1,545,481)**	**($2,100,766)**	**(2,682,858)**

12. The department does not have applicable data to determine the what the fiscal impact would be if the window of time to apply for a preference point was extended to December 31. The department is unable to estimate a fiscal impact.

	FY 2022 Difference	FY 2023 Difference	FY 2024 Difference	FY 2025 Difference
Fiscal Impact:				
Expenditures:				
Operating Expenses	$0	$0	$0	$0
TOTAL Expenditures	$0	$0	$0	$0
Funding of Expenditures:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	$0	$0	$0	$0
TOTAL Funding of Exp.	$0	$0	$0	$0
Revenues:				
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	($1,067,999)	($1,545,481)	($2,100,766)	($2,682,858)
TOTAL Revenues	($1,067,999)	($1,545,481)	($2,100,766)	($2,682,858)

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

	FY 2022	FY 2023	FY 2024	FY 2025
General Fund (01)	$0	$0	$0	$0
State Special Revenue (02)	($1,067,999)	($1,545,481)	($2,100,766)	($2,682,858)

Long-Term Impacts:
1. This bill would affect revenue beyond FY 2025 indefinitely because it removes the CPI price adjustment to Class B-10 and B-11 licenses.

Technical Notes:
1. Page 1, line 24 (3) states that applications in excess of available limited outfitted licenses would have to be entered in the general drawing for Class B-10 or B-11 licenses. As these licenses are first-come, first-served, there would be no "remaining" unsuccessful class B-10 or B-11 licenses. The system would not allow for excess applications to be purchased. If someone was too late to purchase because the license was sold out, they could simply apply for the general Class B-10 or B-11 licenses.
2. Preference point statute states points are deleted when the license applied for is obtained. Hunters purchasing the first-come, first-served outfitter license would not need a preference point, but their existing points would be deleted when the license is purchased.
3. Page 1, line 20 states that persons applying for a limited outfitted Class B-10 or B-11 license would have to provide the license number of the outfitter with whom they intend to hunt. The department would need to interface the licensing system with the Board of Outfitters to verify the outfitter's license status is active. Since the department will be developing a new licensing system, called X MT, which is scheduled to be implemented by January 1, 2022, this fiscal impact would be absorbed by the department.

NO SPONSOR SIGNATURE 2/12/21 _____ VA _____ 2/1/21

Sponsor's Initials   *Date*   *Budget Director's Initials*   *Date*