

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6695

BILL NUMBER: HB 1073

NOTE PREPARED: Dec 17, 2003

BILL AMENDED:

SUBJECT: Fishing Licenses.

FIRST AUTHOR: Rep. Bischoff

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill discontinues the fishing license exemption for residents who are at least 65 years of age. The bill establishes a senior fishing license for residents who are at least 60 years of age. (The introduced version of this bill was prepared by the Natural Resources Study Committee.)

Effective Date: July 1, 2004.

Explanation of State Expenditures: The Department of Natural Resources (DNR) will experience an increase in administrative expenses associated with establishing new fees; however, revenue generated by the fees should cover the costs of administrative expenses.

Explanation of State Revenues: This bill discontinues the fishing license exemption for residents who are at least 65 years of age and assesses a \$3 license fee. Given the projected 87,462 anglers aged 65 or over, a \$3 senior fishing license would generate an estimated \$262,386. However, the selling agent retains \$0.75, or \$65,596, leaving a net increase in state revenue of \$196,790. In addition, for each new fishing license sold, the federal government would provide \$6.60 in reimbursement for fishing equipment excise tax, which would generate an additional \$577,249. New state and federal revenue would equal \$774,039.

However, the proposal also allows the DNR to decrease the cost of a license to fish by \$10.50 per license to \$3 per license for anglers 60 to 64 years. The number of anglers within this age bracket is estimated at 2,734. Given this figure, the decrease in revenue would equal \$28,707. The bill would also eliminate the need for this age bracket to purchase a trout and salmon stamp, which would reduce revenue by \$1,624. Total decrease in revenue would equal \$30,331.

The net fiscal impact of changing the license fees is an increase of approximately \$743,700 and is outlined below.

Fiscal Impact of Changing Fishing License Fees					
Increase in revenue for new angler license for those 65 and over					
# of anglers 65 and over	Federal Reimbursement per Angler	New Federal Revenue	\$3 License Fee with \$0.75 retained by vendor (net \$2.25)	New State Revenue	Annual Fiscal Impact (New Federal Plus New State)
87,462	\$6.60	\$577,249	\$2.25	\$196,790	\$774,039
Decrease in revenue for existing angler license for those 60 to 64					
# of anglers 60-64	Decrease in Trout/Salmon Stamp Revenue (191 X \$9.25 with \$0.75 retained by vendor)	Decrease in Revenue of \$10.50 Per License (from \$14.25 to \$3 with \$0.75 retained by the vendor)		Annual Fiscal Impact	
2,734	(\$1,624)	(\$10.50)/per license		(\$28,707)	
Total Net Impact	\$774,039 - \$1,624 - \$28,707 =			\$743,708	
Note: The number of anglers was estimated using Census figures and percentages of the population that obtain a license in Indiana.					

Revenue from the sale of fishing licenses goes into the dedicated Fish and Wildlife Fund that is used to pay the operating expenses of the DNR Divisions of Law Enforcement and Fish and Wildlife.

Background Information: Four surrounding states have senior fishing licenses: Michigan (\$10.80); Illinois (\$10); Kentucky (\$5); and Ohio (\$10).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources: Greg McCollum, Deputy Director, DNR, Fish and Wildlife Division, 233-9382.

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