

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0348-01
Bill No.: HB 363
Subject: Conservation Department; Veterans
Type: Original
Date: March 29, 2007

Bill Summary: This proposal allows military veterans to receive deer and turkey hunting licenses and permits at no cost.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Conservation Commission	(Less than \$1,532,453)	(Less than \$1,532,453)	(Less than \$1,532,453)
Total Estimated Net Effect on <u>Other</u> State Funds	(Less than \$1,532,453)	(Less than \$1,532,453)	(Less than \$1,532,453)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Federal Fund	(Could Exceed \$332,900)	(Could Exceed \$332,900)	(Could Exceed \$332,900)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Could Exceed \$332,900)	(Could Exceed \$332,900)	(Could Exceed \$332,900)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Conservation (MDC)** assume this proposed legislation would have significant impact on MDC funds. The amount of impact would be approximately \$2.2 million annually in loss of permit sales and federal aid, plus administrative costs.

According to the U.S. Census Bureau, 12.5 percent of the Missouri population 18 and older are veterans. Therefore, we assume that 12.5 percent of the dollar value of the sales and 12.5 percent of the number of deer and turkey permits sold are expected to have been attributed to veterans. We then used our known 2005 permit sales data to yield the following totals:

The number of permits estimated to be sold to veterans is 99,340, for a total dollar value of \$1,855,693. We also included a loss of federal aid reimbursement of \$332,900, as our federal reimbursement apportionment is directly related to the number of paid licenses issued. Since this bill would greatly reduce the number of paid deer and turkey permits, the associated loss of federal aid is also significant.

Federal aid reimbursement is based on the number of paid permit holders, which means MDC can count each hunter only once, even if they buy more than one permit. So using the firearms deer permit number is a fairly reliable guide to the number of paid hunters, since nearly everyone buys that one. Federal aid reimbursement is also based on other factors such as population, area in square miles of the state, and the claims from other states for a particular year. These other factors makes estimating federal aid a little fuzzy. We generally use a pretty conservative estimate of around \$5 per hunter, for the purpose of comparison. The real number could vary from that, but we have no way to know for sure until after all the other calculations are made after the federal reporting period is over. For the purpose of this note MDC estimated based on the 66,582 firearms deer permits sold. So the federal loss would be 66,582 hunters X \$5 = \$332,900.

The total combined estimated revenue loss for MDC is \$2,188,593, which MDC rounded to \$2.2 million.

Officials at the **Missouri Veterans Commission** assume no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight assumes it is difficult to determine how many veterans currently apply for permits and licenses to hunt. According to the U.S. Census Bureau, Missouri has 546,000 veterans. Oversight determined that in 2005 there were 260,411 turkey hunting permits issued and 474,864 deer hunting permits issued. Oversight recognizes that some people obtain both a turkey and deer permit. However, for the purposes of this fiscal note, Oversight has assumed that each hunter only applies for one of the permits. This brings the total number of hunters to 735,275.

Oversight has assumed the number of hunters times \$17 (average cost of a hunting permit) is the cost to the Conservation Commission. Oversight assumes the number of permits estimated by the MDC (99,340) could substantially differ from the actual number of veteran permit holders. Oversight has used the 12.5% of all hunters are veterans as the number of hunters for this fiscal note and determined the cost is \$1,562,453. Oversight recognizes this number may significantly differ from the actual number of veterans who hunt so has shown the fiscal note as "Less than \$1,562,453."

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
CONSERVATION COMMISSION			
<u>Loss - Conservation Commission</u> Revenue Reduction from Permits	(Less than <u>\$1,532,453</u>)	(Less than <u>\$1,532,453</u>)	(Less than <u>\$1,532,453</u>)
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	(Less than <u>\$1,532,453</u>)	(Less than <u>\$1,532,453</u>)	(Less than <u>\$1,532,453</u>)
FEDERAL FUND			
<u>Loss - Federal Fund</u> Revenue Reduction from Permits	(Could Exceed <u>\$332,900</u>)	(Could Exceed <u>\$332,900</u>)	(Could Exceed <u>\$332,900</u>)
ESTIMATED NET EFFECT ON FEDERAL FUND	(Could Exceed <u>\$332,900</u>)	(Could Exceed <u>\$332,900</u>)	(Could Exceed <u>\$332,900</u>)

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

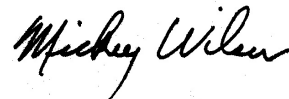
FISCAL DESCRIPTION

This legislation allows that any veteran who is a resident of Missouri shall not be required to pay a fee to obtain a deer or turkey hunting license or permit in the state of Missouri.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Conservation
Missouri Veterans Commission



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Director
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