



**Colorado
Legislative
Council
Staff**

HB17-1321

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1088
Prime Sponsor(s): Rep. Arndt; Wilson

Date: April 17, 2017
Bill Status: House Agriculture
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BILL TOPIC: PARKS & WILDLIFE FINANCIAL SUSTAINABILITY

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>up to \$8,319,618</u>	<u>up to \$12,378,956</u>
General Fund	275,000	275,000
Cash Funds	up to 8,044,618	up to 12,103,956
State Expenditures	<u>\$54,200</u>	<u>\$54,200</u>
Cash Funds	54,200	54,200
TABOR Impact	\$276,400	\$276,400
Appropriation Required: \$54,200 - Department of Natural Resources (FY 2017-18).		
Future Year Impacts: Ongoing revenue, expenditure, and workload increase.		

Summary of Legislation

This bill increases the limit for fees set in rule by the Parks and Wildlife Commission. The commission is authorized to apply an inflation adjustment to a fee that is set at a maximum allowable amount. The revenue from fee increases cannot be used for the purchase of real property including water.

Beginning September 1, 2018, the Parks and Wildlife Division in the Department of Natural Resources is required to report annually to the General Assembly and the public on the status and impact of the fee increases. By December 31, 2018, the division is required to report on the use of division-managed lands by nonconsumptive users and to make recommendations on how those users can help cover the cost of maintaining those lands.

The bill makes the following changes to penalties for violations of parks and wildlife laws:

- increases the penalty for certain wildlife violations to twice the cost of the most expensive license for the affected species;
- creates a new misdemeanor for hunting and angling without a license, subject to a fine and assessment of 10 license suspension points;
- creates a misdemeanor offense for engaging in a regulated activity without the required permit, pass or sticker;

- creates a class 2 petty offense for operating a vessel without an aquatic nuisance species sticker after January 1, 2018; and
- increases the fine for a violation of a non-specific penalty from a petty offense to an unclassified misdemeanor, and raises the fine from \$50 to \$100.

Among its other changes, the bill:

- creates an aquatic nuisance sticker and sets fees based on type of vessel;
- clarifies that the \$.25 search and rescue fund surcharge is nonrefundable;
- increases the surcharge for wildlife public education from \$.75 to \$1.50 and exempts the youth small game hunting license from the surcharge;
- allows the commission to apply the consumer price index to adjust the surcharge above \$1.50;
- removes the \$5.00 fee cap for replacement of a lost or destroyed pass or registration and sets the fee at 50 percent of the original cost of the pass or registration; and
- allows the division to grant up to 25 percent of the sale of state migratory waterfowl stamps for implementation of the North American Waterfowl Plan.

Comparable Crime

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense. The division issues over 11,000 citations annually. This bill changes several petty offenses to misdemeanors and creates two new unclassified misdemeanors. All of these offenses are subject to fines but no period of incarceration. Demographic data are not available for these offenses.

State Revenue

This bill increases revenue by up to \$8.3 million in FY 2017-18 and up to \$12.4 million in FY 2018-19 to the General Fund, a number of cash funds in the Division of Parks and Wildlife, and one cash fund in the Department of Local Affairs.

Assumptions. The division has identified a projected budget shortfall of \$22 million by FY 2022-23 of which \$14 million is for the Wildlife Cash Fund and \$8 million is for the Parks and Outdoor Recreation Cash Fund. Increases in fee revenue are assumed to address those future budgetary requirements and to be implemented incrementally. Some fee increases will be implemented during FY 2017-18. A full year of increased revenue will not occur until FY 2018-19.

Fee impact on individuals and families. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. While some of these fee amounts are set in the bill, other fee amounts are estimates only. Actual fee calculations will be set administratively by Parks and Wildlife Commission based on cash fund balance, estimated program costs, and the estimated number of consumers. Table 1 below identifies the fee impact of this bill.

Type of Fees	FY 2017-2018	FY 2018-2019
Wildlife Fees	\$974,664	\$3,654,989
Parks Fees	877,554	2,256,567
Fines - General Fund	275,000	275,000
Fines - Cash Funds	up to 275,000	up to 275,000
Search and rescue surcharge	1,400	1,400
Wildlife Management Public Education Fund	916,000	916,000
Aquatic nuisance sticker	up to 5,000,000	up to 5,000,000
TOTALS	up to \$8,319,618	up to \$12,378,956

Wildlife fees. The bill allows the commission to increase fees for hunting and fishing licenses, so the actual fee increases are not created by this bill. To reach the \$14 million annual increase by FY 2022-23, the division will need an overall increase in revenue of 16 percent. A 4.0 percent increase in licensing fees in FY 2017-18 will increase revenue by \$974,664 if only the licenses shown in Table 2 are subject to fee increases. Table 3 shows a 15 percent increase for the same licenses for FY 2018-19 which will increase revenue by \$3,654,989 to the Wildlife Cash Fund.

	Current	Proposed	Fee	Number	Total Fee
Fishing - Annual	26.00	27.04	1.04	239,653	249,239
Fishing - Annual (Sr.)	1.00	1.04	0.04	67,402	2,696
Fishing - 1 day	9.00	9.36	0.36	441,860	159,070
Turkey	20.00	20.80	0.80	24,977	19,982
Fishing-Small Game Combo	40.00	41.60	1.60	83,590	133,744
Pronghorn/Bear/Deer	30.00	31.20	1.20	94,750	113,700
Elk	45.00	46.80	1.80	158,179	284,722
Goats/Moose	250.00	260.00	10.00	782	7,820
Mountain Lion	40.00	41.60	1.60	2,307	3,691
TOTAL					\$974,664

Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Fishing - Annual	26.00	29.90	3.90	239,653	934,647
Fishing - Annual (Sr.)	1.00	1.15	0.15	67,402	10,110
Fishing - 1 day	9.00	10.35	1.35	441,860	596,511
Turkey	20.00	23.00	3.00	24,977	74,931
Fishing-Small Game Combo	40.00	46.00	6.00	83,590	501,540

Table 3. Wildlife Fee Impact on Individuals and Families - FY 2018-19 (Cont.)					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Pronghorn/Bear/Deer	30.00	34.50	4.50	94,750	426,375
Elk	45.00	51.75	6.75	158,179	1,067,708
Goats/Moose	250.00	287.50	37.50	782	29,325
Mountain Lion	40.00	46.00	6.00	2,307	13,842
TOTAL					\$3,654,989

Parks and outdoor recreation fees. The bill allows the commission to increase fees for parks and outdoor recreation so the actual fee increases are not created by this bill. To reach the \$8 million annual increase by FY 2022-23, the division will need an overall increase in revenue of 24 percent. A 3.5 percent increase in park fees in FY 2017-18 will increase revenue by \$877,554 if only the fees shown in Table 4 are subject to fee increases. Table 5 shows a 9 percent increase for the same licenses for FY 2018-19 which will increase revenue by \$2,256,567 to the Parks and Outdoor Recreation Cash Fund.

Table 4. Parks Fee Impact on Individuals and Families - FY 2017-18					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Daily Park Pass	\$9.00	\$9.32	\$0.32	961,372	\$302,832
Annual Park Pass	73.00	75.56	2.56	82,966	211,978
Aspen Leaf Annual Pass (64+)	63.00	65.21	2.21	20,770	45,798
Aspen Leaf Multiple Pass (64+)	31.00	32.09	1.09	12,726	13,808
Basic campsite-summer	20.00	20.70	0.70	79,937	55,956
Basic campsite-winter	18.00	18.63	0.63	26,646	16,787
Electric campsite-summer	24.00	24.84	0.84	128,129	107,628
Electric campsite-winter	26.00	26.91	0.91	42,710	38,866
Full hook-up campsite-winter	28.00	28.98	0.98	63,083	61,821
Full hook-up campsite- summer	30.00	31.05	1.05	21,028	22,079
TOTAL					\$877,554

Table 5. Parks Fee Impact on Individuals and Families - FY 2018-19					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Daily Park Pass	\$9.00	\$9.81	\$0.81	961,372	\$778,711
Annual Park Pass	73.00	79.57	6.57	82,966	545,087
Aspen Leaf Annual Pass (64+)	63.00	68.67	5.67	20,770	117,766
Aspen Leaf Multiple Pass (64+)	31.00	33.79	2.79	12,726	35,506
Basic campsite-summer	20.00	21.80	1.80	79,937	143,887

Table 5. Parks Fee Impact on Individuals and Families - FY 2018-19 (Cont.)					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Basic campsite-winter	18.00	19.62	1.62	26,646	43,167
Electric campsite-summer	24.00	26.16	2.16	128,129	276,759
Electric campsite-winter	26.00	28.34	2.34	42,710	99,941
Full hook-up campsite-winter	28.00	30.52	2.52	63,083	158,969
Full hook-up campsite- summer	30.00	32.70	2.70	21,028	56,776
TOTAL					\$2,256,567

Fines. While some fines are set in the bill, others are dependent on the amount of fees set by the commission. As noted in the comparable crimes section above, the division issues over 11,000 citations annually. As a proxy, if all fines increased by \$50 per violation, revenue will increase by \$550,000 per year. Of this, \$275,000 will be deposited into the General Fund and up to \$275,000 to one of the division cash funds based on the violation and whether the citation was issued by division staff or local law enforcement.

Change surcharge to be nonrefundable. In FY 2015-16, the division refunded appropriately \$1,400 of the search and rescue surcharge that would have otherwise gone to the Search and Rescue Fund in the Department of Local Affairs. Because the bill makes the surcharge nonrefundable, the fund will see a minimal increase in revenue.

Wildlife Management Public Education Fund. This fund currently receives a \$.75 surcharge on hunting and fishing licenses which averages \$916,000 per year. The bill authorizes the commission to increase the surcharge up to \$1.50 which will increase revenue by up to \$916,000.

Aquatic nuisance sticker. Revenue from sales of the sticker are expected to generate up to \$5.0 million annually beginning in FY 2017-18 to the Division of Parks and Wildlife Aquatic Nuisance Species Fund to fund the existing program. Stickers are \$15 to \$50 based on whether the vessel is motorized and whether the vessel owner is a resident or nonresident. The fiscal note assumes that up to 271,000 vessels will be registered annually.

TABOR Impact

The Division of Parks and Wildlife is an enterprise agency, so its revenue is not subject to TABOR. However, this bill increases state General Fund revenue by \$275,000 per year from fines, and cash fund revenue by \$1,400 per year from a surcharge that goes to the Department of Local Affairs, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund.

In years when the state collects revenue above the TABOR limit, the increase in General Fund revenue has no net impact on the amount of money available in the General Fund for the budget, as both revenue to the General Fund and the refund obligation increase by equal amounts. However, the increase in cash fund revenue increases the TABOR refund obligation, decreasing

the amount of money available in the General Fund for the budget on a dollar-for-dollar basis. In future years when the state does not collect revenue above the TABOR limit, the bill's impact on General Fund revenue will increase money available for the General Fund budget.

State Expenditures

This bill will increase expenditures by \$54,200 per year beginning in FY 2017-18 from the Division of Parks and Wildlife Aquatic Nuisance Species Cash Fund. The bill will also increase workload for the Division of Parks and Wildlife and the Judicial Department as follows.

Division of Parks and Wildlife, Department of Natural Resources. Prior to the commission considering specific fee increases, the division will conduct a stakeholder process to determine which fees to increase, by how much, and by when. The division will also have a workload increase to develop the aquatic nuisance species sticker program, print and issue the stickers, and enforce compliance. The aquatic nuisance species sticker is estimated to cost \$54,200 per year to print. The division will also have a workload increase to comply with the reporting requirements under the bill. This workload increase can be accomplished within existing appropriations.

Trial Courts, Judicial Department. The increase in offenses created by the bill will increase workload for trial courts to hear additional cases. This increase is expected to be minimal and can be accomplished within existing appropriations.

Local Government Impact

This bill will increase revenue and workload for local governments as follows.

Revenue increase. For the offenses addressed under this bill, if the arrest is made or the citation issued by a local law enforcement officer, one-half of the fine amount collected goes to the local jurisdiction. Because the bill increases fine amounts, some local jurisdictions will see an increase in fine revenue.

County court expenditures. Because the bill adds criminal offenses, the bill increases workload for district attorneys to prosecute any petty and misdemeanor offenses under the bill.

Denver County expenditures. The bill results in an increase in revenue and workload for the Denver County Court, managed and funded by the City and County of Denver. The court will try petty offense and misdemeanor cases under the bill.

Technical Note

In the introduced bill, the maximum fees allowable for nonresident hunting licenses are below those currently charged and as such will result in a reduction in revenue. The fiscal note assumes the bill will be amended to correct this technical issue.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2017-18, the Department of Natural Resources requires an appropriation of \$54,200 from the Division of Parks and Wildlife Aquatic Nuisance Species Cash Fund

State and Local Government Contacts

Information Technology
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