



**Colorado
Legislative
Council
Staff**

HB17-1374

FISCAL NOTE

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

Drafting Number: LLS 17-1225
Prime Sponsor(s): Rep. McLachlan; Danielson

Date: May 8, 2017
Bill Status: House SVMA
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BILL TOPIC: COLORADO HEROES HUNTING & FISHING ACT

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>(\$1.6 million)</u>	<u>(\$1.6 million)</u>
Cash Funds	(1.1 million)	(1.1 million)
Federal Funds	(0.5 million)	(0.5 million)
State Expenditures	<u>\$1.6 million</u>	<u>\$1.6 million</u>
General Fund	1.6 million	1.6 million
Appropriation Required: \$1.6 million - Department of Natural Resources (2017-18).		
Future Year Impacts: Ongoing revenue reduction and workload increase.		

Summary of Legislation

The bill requires the Division of Colorado Parks and Wildlife (CPW) in the Department of Natural Resources to offer free of charge, a lifetime resident combination small game hunting and fishing license, or any big game license the person qualifies for under the rules of the Colorado Parks and Wildlife Commission, if the person:

- is currently a resident of Colorado and has been a resident for at least the previous two years;
- has served on active duty in the United States military for at least two years, and either;
 - separated from the military under honorable conditions; or
 - is an active duty member of the military.

Background

The majority (62 percent) of funding for wildlife programs in the CPW comes from the sales of hunting and fishing licenses, habitat stamps, and parks passes. The balance includes excise tax (17 percent) from the Pittman-Robertson Act explained below, Great Outdoors Colorado (11 percent), federal and state grants (4 percent), sales, donations, and interest (4 percent), and severance tax (2 percent).

Colorado is home to approximately 416,000 non-disabled veterans and active duty military personnel who will be eligible for the free licenses. A fishing and small game combination license is \$41, and license fees for big game licenses range from \$30 and \$250.

The Federal Aid in Wildlife Restoration Act, also known as the Pittman-Robertson Act, imposes an excise tax on the sale of firearms and ammunition products. The revenue generated from the excise tax is apportioned to state wildlife agencies through a formula based 50 percent on the area of the state and 50 percent on the number of paid hunting licenses in the state relative to paid hunting licenses nationwide. The CPW currently earns approximately \$19.4 million in Pittman-Robertson federal apportionment funding to assist in operating its hunting recreation program.

State Revenue

This bill will reduce revenue to the CPW by approximately \$1.6 million annually beginning in FY 2017-18 to the Wildlife Cash Fund. Of this, \$1.1 million will be from reductions in license fees and \$0.5 million per year from a reduction in federal funds. These reductions are explained below.

Assumptions. By dividing the 416,000 military veterans and active duty military by Colorado's population of 5,500,000, the fiscal note assumes that the military veterans and active duty military personnel represent 7.6 percent of Colorado's population.

Lifetime resident combination small game hunting and fishing license. The CPW sold 83,590 combination small game hunting and fishing licenses in FY 2015-16. Assuming that 7.6 percent (6,353) of these licenses will now be provided free of charge, revenue will be reduced by \$260,466 annually.

Big game licenses. Because of the range of license fees, the revenue reduction for big game licenses is based on a percentage of total revenue. For FY 2015-17, the CPW took in \$10,758,167 for big game licenses; 7.6 percent represents a reduction of \$817,621 per year.

Federal funds. Reducing the number of paid hunting licenses will reduce the federal apportionment funding under Pittman-Robertson for the 50 percent of the formula based on hunting licenses. This reduction is estimated to be approximately \$500,000 annually.

State Expenditures

This bill is expected to increase General Fund expenditures by \$1.6 million per year beginning in FY 2017-18 for the CPW.

Assumptions. The fiscal note assumes that the Colorado Parks and Wildlife Commission does not have the authority to raise fees for other licenses to cover the revenue reduction under this bill, so General Fund will be used to backfill the loss in licensing revenue.

Backfill of lost revenue. Beginning in FY 2017-18, the CPW requires \$1.6 million in General Fund to replace the revenue lost from the sale of hunting licenses and federal funding.

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 a General Fund appropriation of \$1.6 million.

State and Local Government Contacts

Natural Resources