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Final Fiscal Note

Drafting Number: LLS 21-0517 **Date:** July 26, 2021
Prime Sponsors: Sen. Woodward; Garcia **Bill Status:** Postponed Indefinitely
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Bill Topic: **RESERVE BIG GAME HUNTING LICENSES FOR RESIDENTS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill would have restricted the number of big game hunting licenses issued to non-residents in a limited draw to one-third of the total. It would have decreased state revenue on an ongoing basis and increased state expenditures in FY 2021-22 only.

Appropriation Summary: For FY 2021-22, the bill would have required an appropriation of \$26,810 to the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 21-150

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	-	(\$342,000— \$1,367,000)
Expenditures	Cash Funds	\$26,810	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill restricts the number of big game hunting licenses issued to non-residents in a limited draw to one-third of the total licenses issued for the draw.

Assumptions

Limited licenses are made available in both a primary and secondary draw. The fiscal note assumes the limit applies to the limited license primary draw only, and would not apply to any licenses subsequently issued, including the limited license secondary draw.

State Revenue

Beginning in FY 2022-23, the bill is estimated to decrease Wildlife Cash Fund revenue in the Department of Natural Resources between \$0.3 million and \$1.4 million. Colorado Parks and Wildlife is designated as an enterprise for TABOR purposes, so changes in revenue to not affect the state's status relative to the TABOR limit.

Between 2018 and 2019 (2020 data is excluded due to COVID-19), about 6,600 deer and elk hunting licenses were issued to non-residents that would have been in excess of the one-third cap created by this bill. Most of these excess licenses were sold to non-residents due to insufficient resident demand. Bear and pronghorn licenses above the one-third non-resident threshold would also be affected; these are excluded from these calculations as they are small enough as to not appreciably affect the revenue estimate. The revenue impact of not selling these licenses in the primary draw is estimated to be \$3.4 million per year (at FY 2020-21 license prices); this impact is shown on Table 2. However, some of these licenses would be sold at a later draw; the total impact after subsequent sales is shown on Table 3.

Table 2
Primary Draw Revenue Reduction

License Type	Average Non-resident Cost	License Quantity Reduced	Revenue Reduction
Deer	\$379	2,229	(\$844,786)
Elk	\$584	4,405	(\$2,572,845)
FY 2022-23 Total	-	6,634	(\$3,417,631)

The fiscal note assumes most non-resident demand would remain after the primary draw, and that between 60 and 90 percent of licenses above the threshold would be purchased at a later draw. This range of outcomes is shown on Table 3.

Table 3
Range of Total Revenue Loss Scenarios Under SB 21-150

License Type	90% of Licenses Eventually Purchased	60% of Licenses Eventually Purchased
Deer	(\$84,479)	(\$337,914)
Elk	(\$257,285)	(\$1,029,138)
FY 2022-23 Total	(\$341,764)	(\$1,367,052)

State Expenditures

The bill increases expenditures in the Department of Natural Resources by \$26,810 in FY 2021-22 only from the Wildlife Cash Fund.

The Department of Natural Resources will update its regulations and processes and conduct public outreach. The system that manages hunting license allocations will be updated to match the allocation limits established in the bill. Reprogramming the system to is estimated to require 260 hours at a rate of \$103 per hour provided by the Office of Information Technology.

Effective Date

The bill was postponed indefinitely by the Senate Agriculture and Natural Resources Committee on March 25, 2021.

State Appropriations

For FY 2021-22, the bill would have required an appropriation of \$26,810 to the Department of Natural Resources from the Wildlife Cash Fund, reappropriated to the Office of Information Technology.

State and Local Government Contacts

Information Technology

Natural Resources