MEASURE NUMBER: HB 2547STATUS: OriginalSUBJECT: Elimination of hunting and fishing license fees for war veterans with 10% or more disabilityGOVERNMENT UNIT AFFECTED: Department of Fish and WildlifePREPARED BY: Dawn FarrREVIEWED BY: Paul SiebertDATE: March 13, 2007

**EXPENDITURES:** See Comments.

	2007-2009	2009-2011
<b>REVENUES:</b>		
License Fees – Other Funds	\$ (244,523)	\$ (326,032)
Federal Funds	\$ (27,465)	\$ (36,620)
	\$ (271,988)	\$ (362,652)

## **EFFECTIVE DATE:** January 1, 2008

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This bill would require the State Fish and Wildlife Commission to eliminate hunting and fishing license fees for war veterans who are certified as being 10 percent or more disabled. The bill also extends license waivers to qualifying veterans for Free Water Fowl and Free Upland Bird Stamps.

Under current law, the Oregon Department of Fish and Wildlife (ODFW) offers free hunting and fishing licenses to disabled veterans having 25% or greater disability level. Currently 25,345 Oregon veterans qualify for this benefit. In 2006, 5,044 veterans, or 19.9%, of this population utilized this benefit, which is similar to utilization rates in past years. Extending the qualified veterans pool to include veterans having 10% or greater disability would expand the eligible population by 14,922 veterans. Assuming this new population utilized this benefit at the rate of 19.9%, 2,970 additional fees would be waived, resulting in lost Other Fund revenues for licensing fees of \$244,523 in 2007-09 and \$326,032 in 2009-11. In addition, the department anticipates the loss of federal funds due to fewer purchases of additional salmon and hunting tags. Approximately 45% of veteran license buyers will not purchase salmon tags and about 35% won't purchase hunting tags. The department receives \$6.84 in Federal Funds for the sale of salmon tags and \$8.82 for hunting tags. The corresponding loss in Federal Funds revenue is estimated to be \$9,142 for salmon tags and \$9,168 for hunting tags per year. The biennial total is \$27,465 for 2007-09 and \$36,620 for 2009-11. The revenue loss is less in 2007-09 because the bill would not become operative until January, 2008.

The table that follows provides detail on how this revenue shortfall is distributed among ODFW's four license categories. The numbers of fees waived are calculated based on historical numbers of veteran purchasers.

## **Detail on Licensing Fees Waived:**

Category of License	Number of Waived Fees	Fee	Annual Lost Revenues
Hunting and Fishing	2,970	\$43.75	\$129,938
Free Water Fowl Stamps	280	\$9.00	\$2,517
Free Upland Bird Stamps	704	\$6.50	\$4,574
Elk Tags	1,575	\$16.50	\$25,987
Total Annual	\$163,016		
2007-09 Total (18 months)	\$244,523		
2009-11 Total (24 months)	\$326,032		

The department reports that a loss of revenues will erode the ending balance in this program, and may ultimately result in a need to hold up to three positions vacant due to insufficient revenue. Holding positions vacant will likely reduce regional office services. The positions could be restored in the 2009-11 biennium through an agency fee increase.