

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 3371
Version:	CS
Request Number:	9890
Author:	Rep. Wallace
Date:	3/12/2018
Impact:	Revenue from One-Time Fess
	500-1,000 Acres: \$50,000
	Over 1,000 Acres: \$75,000
	Investment Return Potential Over
	The Duration of the License

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

The measure provides for licenses to landowners for hunting, a license that would remain the property of the land for up to one hundred (100) years. At any time the land is conveyed an option to renew the license would be given through the Department of Wildlife Conservation.

The fee revenue resulting from the sale of licenses would allow for the revenue to produce investment income. The rate of return and its effect on the revenue derived from the licenses is subject to some difference as noted below with the comments from the Department, Using a base rate of return of five percent (5.0%), income potential is substantial even without the possible compounding effect of reinvested funds.

.Prepared By: Mark Tygret

Other Considerations

Comments from the Wildlife Department

From ODWC: Anticipated 45 year negative impact of \$232,199 and a further negative impact of \$20,000-30,000, annually from sale of combination lifetime licenses for specific tracts of land. There would be an additional negative impact of \$2,050 per landowner license purchased.

The Oklahoma Department of Wildlife Conservation (ODWC) anticipates a negative fiscal impact of \$246,229 at the end of 45 years. This loss, per the agency is a result of the lost annual

revenue from the 40 additional licenses provided in this bill. This finding takes into account the interest income on the principal investment of \$75,000. The interest return on the initial payment does not cover the lost annual revenue.

- Per the ODWC, attaching a license to a specific tract of land into perpetuity would erode a fiscal interest of at least 3.5% growth each decade in lost license fees to the agency.
- Additionally, ODWC anticipates a negative annual impact, ranging from approximately \$20,000 - \$30,000 for lost revenue of the 40 additional licenses that the measure provides to the landowner. The agency estimates are based from typical nonresident hunting license purchase scenarios.
- Based on the fishing license privileges included, ODWC anticipates an additional negative fiscal impact of \$2,050 per landowner license purchased.

This impact is contingent upon how many landowners opt to purchase lifetime licenses versus the purchase of annual licenses