

BILL SUMMARY
2nd Session of the 56th Legislature

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|------------------------|---|
| Bill No.: | SB 1488 |
| Version: | CS |
| Request Number: | |
| Author: | Rep. Wallace |
| Date: | 4/12/2018 |
| 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 fifty years (50) 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 Oklahoma Department of Wildlife (ODWC):

Anticipated 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 for fishing privileges.

The Oklahoma Department of Wildlife Conservation (ODWC) anticipates a negative fiscal impact of \$246,229. 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 for fifty years 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.

Further breakdown from the ODWC:

| Property Size | Tags for landowner permit | Annual License Sales Lost | Annual Revenue |
|---------------------------|---|---|----------------|
| 500-1,000 acre properties | 20 deer tags (\$300 ea) | \$6,000 | - |
| | 10 turkey tags (\$152 ea) | \$1,520 | - |
| | 10 small game licenses (\$142 ea) | \$1,420 | - |
| | Unlimited fishing licenses (\$55 ea) | ??? | - |
| | \$30,000 invested at 5% return | | \$1,500 |
| | Total Lost Annual Hunting/Fishing Revenue | \$7,440 per landowner permit (plus ??? fishing licenses) | |
| 1,000+ acre properties | 40 deer tags (\$300 ea) | \$12,000 | - |
| | 20 turkey tags (\$152 ea) | \$3,040 | - |
| | 20 small game licenses (\$142 ea) | \$2,840 | - |
| | 2 antelope tags (\$306 ea) | \$612 | - |
| | Unlimited fishing licenses (\$55 ea) | ??? | - |
| | \$45,000 invested at 5% return | | \$2,250 |
| | Total Lost Annual Hunting/Fishing Revenue | \$16,242 per landowner permit (plus ??? fishing licenses) | |

