



Executive Briefing Hunting and Fishing License Fee Restructuring Proposal

West Virginia Division of Natural Resources
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BACKGROUND

The Wildlife Resources and Law Enforcement sections of the West Virginia Division of Natural Resources are responsible for managing and protecting the public's fish and wildlife resources on 1.4 million acres of public lands, 14 million acres of private lands, 21,000 acres of public lakes, and 31,000 miles of streams and rivers in the state. Over 800,000 residents and nonresidents annually participate in hunting, fishing and other forms of wildlife-associated recreation in the state. The impact of their recreational expenditures on the West Virginia economy exceeds \$800 million annually, supporting over 8,000 jobs.

Hunting and fishing license revenues and federal excise tax reimbursement are the principal sources of revenue for the state's fish and wildlife management programs, comprising approximately 80 percent of program revenues. Only about 5 percent of program revenues are derived from state taxes. Historically, when increased operating revenues were required to offset inflation, those revenues were secured through periodic increases in hunting and fishing license fees. Typically, license fee increases have occurred every six or seven years. The last resident fee increase occurred in 1989.

West Virginia sportsmen have traditionally supported license fee increases because these revenues are used to acquire and manage recreational facilities used principally by hunters and anglers and because many sportsmen feel a strong sense of stewardship for the state's fish and wildlife resources. The 1989 increase was strongly supported by virtually every sportsman's organization in the state. More recently, a public opinion poll conducted in 1998 found that 66 percent of resident license holders would support fee increases to permit wildlife and law enforcement program spending to keep pace with inflation.

The 15 years that have ensued since the last resident license fee increase have been the longest interval without a fee increase in over a quarter century. Although inflation has been rather mild during this interval, it has nonetheless taken a steady toll on spending power. According to the Consumer Price Index, goods and services purchased for \$1 in 1989 would cost \$1.53 today.

By controlling staff increases and other operating expenses, the Wildlife Resources and Law Enforcement sections have forestalled a license fee increase for a decade longer than the pledge that was made to hunters and anglers in 1989. However, these efforts have now reached the limits of what may be accomplished through fiscal austerity. By next fiscal year, operating expenditures will exceed available operating revenues. If an operating revenue increase is not implemented, substantial cutbacks will be necessary in wildlife and law enforcement programs. These cutbacks will reduce our ability to provide quality services for sportsmen.

OF NOTE: A public opinion poll conducted in 1998 found that 66 percent of resident license holders would support fee increases to permit wildlife and law enforcement program spending to keep pace with inflation.

ADDITIONAL ISSUES

In developing this proposal to increase license revenues, additional goals relating to the hunting and fishing license system have been addressed. These include:

- solving problems associated with large, periodic fee increases
- securing maximum federal funding
- simplifying the license system
- following legislative direction to set fees by rule
- increasing license incentives to support deer management objectives
- establishing incentives to increase nonresident hunting tourism

Solving problems associated with large, periodic fee increases

Past license fee increases were characterized by large, infrequent fee increases. Fee increases were expected to remain in force for six or seven years. License fees thus were set sufficiently high to offset inflation for the entire six- or seven-year period. As a result, in the first years after a fee increase, annual license revenue exceeded annual expenditures. This revenue was accumulated in a license reserve that was later spent when annual expenditures had increased beyond annual license revenue.

There are several problems inherent in this approach. First, when fees are increased every six or seven years, the size of the increase must be large. The scale of the increase makes it unpopular with legislators, resulting in a painful implementation process for both the legislative and executive branches. Second, a large increase is also unpopular with hunters and anglers, causing a sales depression that is correlated with the magnitude of the increase. This must be factored into the proposed increase, thereby resulting in a larger increase and thus a larger sales depression.

All of these problems are caused by the infrequent nature, and thus the size, of fee increases designed to offset annual inflation. Some states, and all businesses, employ a pricing strategy characterized by more frequent, smaller increases that are more acceptable to consumers and thus do not cause large sales depressions.

This proposal employs that pricing strategy. It will index annual license fees to the federally published Consumer Price Index. License fees will thus increase by small amounts as necessary to offset inflation and then by logical amounts, 50¢ or \$1.00 for example. This approach will reduce both legislative conflict and license sales depressions.

Securing maximum federal funding

This proposal will increase West Virginia's allocation of federal excise taxes on hunting and fishing equipment. One of the main factors that determines that allocation is the number of licensed hunters and anglers. If the base license purchased by all resident sportsmen confers both hunting and fishing privileges, then all buyers will be counted in both categories for calculating the federal allocation. The estimated increase in federal funds as a result of this proposal's adoption will be \$225,000 annually.

OF NOTE: Pricing strategies that use more frequent, smaller increases are more acceptable to consumers. This proposal is linked to the Consumer Price Index.

Simplifying the license system

This proposal will eliminate nine licenses or stamps from the current system. It will create one new stamp and one new license, resulting in a net overall reduction of seven licenses or stamps.

Following legislative direction to set fees by rule

Recent direction from legislative leaders has indicated a preference for setting fees by legislative rule. This proposal follows that direction by establishing the general provisions of the hunting and fishing license system in code and setting license fees by rule. The legislature will retain oversight of license fees because it approves the rules.

Increasing license incentives to support deer management objectives

This proposal establishes price and other incentives that will encourage hunters to take more antlerless deer and fewer additional antlered bucks. These incentives will support agency objectives for deer management, i.e., reducing deer populations in overpopulated areas. Most importantly, replacing the county-specific antlerless deer stamp with a universal antlerless stamp should be extremely popular with hunters.

Establishing incentives to increase nonresident hunting tourism

This proposal will allow 15-, 16-, and 17-year-old nonresidents to purchase the reduced-rate Nonresident Junior Hunting/Trapping/Fishing License. Currently, the age limit for purchasing this license is 14. This change should encourage more young hunters and families with young hunters to recreate in the state, thereby increasing tourism benefits to the travel, service and other retail sectors of the local economy.

The License Fee Proposal

The license fee increase proposal is provided on page 7.

Comparison to Fees in Surrounding States

This proposal will establish resident license fees that compare favorably with those in surrounding states. (See page 8.)

OF NOTE: The proposed license fees would be comparable to other states.

BENEFITS

Benefits from implementation of this proposal include those previously described:

- solving problems associated with large, periodic fee increases
- securing maximum federal funding
- simplifying the license system
- increasing license incentives to support deer management objectives
- establishing incentives to increase nonresident hunting tourism

Of paramount importance is the fact that this increase will provide the necessary operating revenues for (1) maintaining the Division's extremely popular capital improvements and land acquisition programs (see page 6) and (2) maintaining a strong fish and wildlife law enforcement presence in each of the state's 55 counties. Without the operating revenue increase provided by this proposal, both of these highly popular programs will be degraded as a result of required budget cutbacks.

Fish & Wildlife Recreational Facilities

Wildlife Resources Section West Virginia Division of Natural Resources

The acquisition, development and maintenance of public fish and wildlife recreational facilities is one of the highest priority activities for the Wildlife Resources Section (WRS) of the West Virginia Division of Natural Resources. These facilities include:

- public hunting lands
- public shooting ranges
- fishing and boating access sites
- hunting and fishing access for the physically challenged
- public fishing lakes
- fish hatcheries

These facilities are very popular and there is solid support for their continued development. A 1998 survey conducted by a private contractor for the WRS randomly sampled West Virginia residents to solicit their opinions on a variety of issues, including the use and acquisition of public recreation lands. The survey revealed that:

- 94% of survey respondents said that public recreation lands in WV were important to them personally
- 75% said public lands were **very** important to them personally
- 69% said they had visited public recreation lands in WV during the previous 12 months
- 81% said they would support state acquisition of more public recreation land

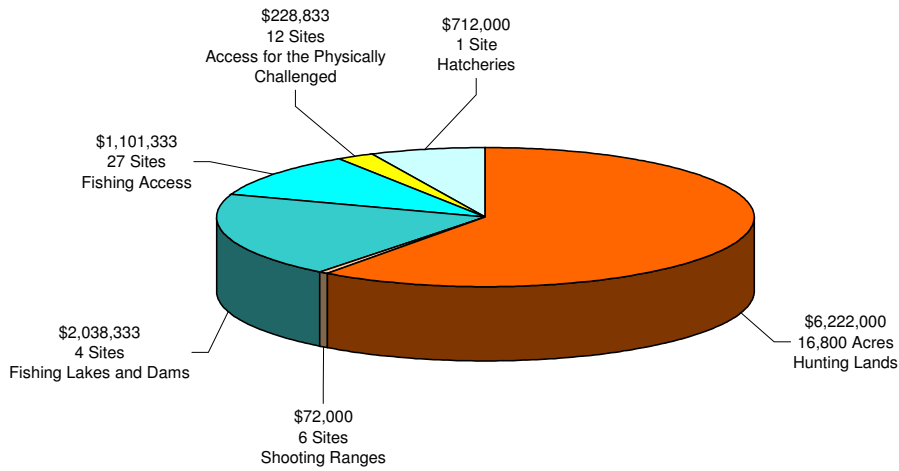
The WRS relies on hunting and fishing license revenues to fund public recreational facilities, thereby placing no demand upon the state's general revenue budget. Acquisition and development is funded principally with revenues from the Conservation Stamp, required of every licensed hunter and angler, and from an earmarked 10 percent of other hunting and fishing license revenues. Facility maintenance is funded largely with WRS operating revenues, also derived from hunting and fishing license sales.

Over the fifteen years that have passed since the enactment of the Conservation Stamp, the WRS has spent over \$31 million for public recreational facility development. Future plans are to continue these extremely popular activities. Over the next 5 years, the WRS plans to spend approximately \$10.7 million to acquire, develop or renovate additional recreational facilities:

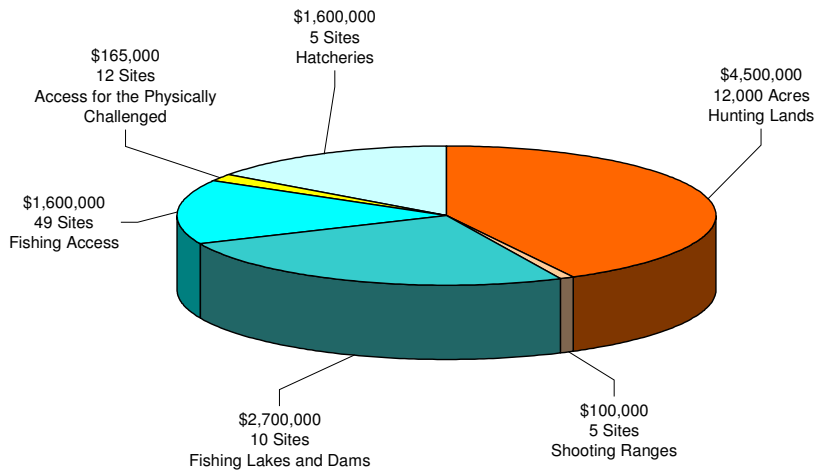
- 12,000 acres of new public hunting lands
- 10 dams at public fishing lakes
- 5 public shooting ranges
- 49 fishing and boating access sites
- 12 hunting and fishing access sites for the physically challenged
- 5 state fish hatcheries

OF NOTE: Three-quarters of the people in the state feel that public lands were very important to them personally and even a greater percentage said they would support state acquisition of more public recreation land.

**WRS Expenditures for Recreational Facilities Development
Five-Year Average, 1989-2004
Average Total Expenditure \$10,374,500**



**WRS Planned Expenditures for Recreational Facilities Development
2005-2009
Total Expenditures \$10,665,000**



OF NOTE: Implementation of the fee increase will allow the DNR to properly maintain the recreational facilities that are being developed for hunters and anglers.

Resident Hunting and Fishing License Structure

Class	License Privilege	Current Price	Proposed Price	Note
A	Hunting	\$11.00	Eliminated	Included in Class X and Class XJ
B	Fishing	\$11.00	Eliminated	Included in Class X and Class XJ
N	Antlerless Deer	\$8.00	\$10.00	No longer county specific (Universal)
O	Trout	\$7.50	\$10.00	
P	Boar	\$5.00	Eliminated	Included in Class X and Class XJ
RG	Additional Deer Gun	\$10.00	\$15.00	
RB	Additional Deer Bow	\$10.00	\$15.00	
RM	Additional Deer Muzzleloader	NA	\$15.00	NEW - Additional Deer Muzzleloader
L	6-Day Fishing	NA	\$10.00	NEW - Requires Conservation Stamp
U	Archery Deer	\$5.00	Eliminated	Included in Class X and Class XJ
V	Muzzleloader	\$5.00	Eliminated	Included in Class X and Class XJ
W	Turkey	\$5.00	Eliminated	Included in Class X and Class XJ
MW	Migratory Waterfowl	\$5.00	Eliminated	Included in Class X and Class XJ
I	National Forest	\$2.00	Eliminated	Included in Class X and Class XJ
DS	Bear Damage	\$4.00	\$10.00	
A1	Pistol Stamp	\$5.00	\$8.00	
X	Hunting and Fishing License	\$25.00	\$25.00	Includes Conservation Stamp
XJ	Junior Hunting and Fishing License	\$15.00	\$15.00	Includes Conservation Stamp
CS	Conservation (Resident)	\$3.00	\$3.00	

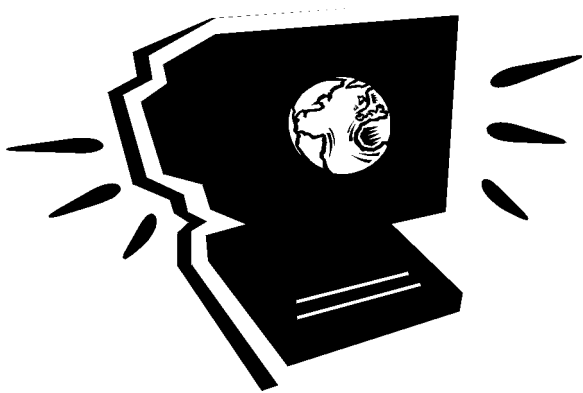
Nonresident Hunting and Fishing License Structure

Class	License Privilege	Current Price	Proposed Price	Note
I	National Forest	\$2.00	\$2.00	
E	Non-resident Hunting	\$100.00	\$110.00	
EE	Non-resident Bear Hunting	\$150.00	\$150.00	
F	Fishing	\$30.00	\$35.00	
H	Hunting - 6 day	\$20.00	\$25.00	
K	Fishing - 3 day	\$5.00	Eliminated	
LL	Fishing - 6 day	NA	\$10.00	NEW - Requires CS / LE Stamp
NN	Antlerless Deer	\$25.00	\$25.00	No longer county specific (Universal)
RRG	Additional Deer - Gun	\$30.00	\$40.00	
RRB	Additional Deer - Bow	\$30.00	\$40.00	
RRM	Additional Deer - Muzzleloader	NA	\$40.00	NEW - Additional Deer Muzzleloader
UU	Archery Deer	\$25.00	\$30.00	
VV	Muzzleloader Deer	\$25.00	\$30.00	
WW	Turkey	\$25.00	\$30.00	
XXJ	Junior Hunting and Fishing License	\$15.00	\$15.00	Now includes up to 17 years of age
A-1	Pistol	\$5.00	\$8.00	
DS	Bear Damage Stamp	\$4.00	\$10.00	
OO	Trout Fishing	\$10.00	\$15.00	
MW	Migratory Waterfowl	\$5.00	Eliminated	Included in Classes E, H, and XXJ
J	Small Game Shooting Preserve	\$10.00	\$10.00	
CS/LE	Conservation / Law Enforcement	\$10.00	\$10.00	

How does West Virginia's Combined Hunting and Fishing License compare to resident license fees for surrounding states?

West Virginia	\$25
Maryland	\$56
Kentucky	\$80
Pennsylvania	\$91
Virginia	\$100
Ohio	\$164

Hunting and Fishing License privileges include: year-round fishing (does not include trout stamp), one antlered deer during the bucks-only firearm season, one deer of either sex during archery season, one deer of either sex during muzzleloader season, two bearded turkeys during the spring gobbler season, one turkey of either sex during the fall turkey season, national forest stamp, waterfowl hunting, boar hunting, trapping, and small game hunting.



Give Us Your Feedback!
E-mail to:
licenseproposal@wvdnr.gov

For updates on scheduled Open House meetings throughout the state on this issue, check out our website at www.wvdnr.gov/licenseproposal.

Written comments can be mailed to:

License Proposal
West Virginia Division of Natural Resources
Capitol Complex
Building 3, Room 812
Charleston, WV 25305