



confirming authorized leave at all times during the fishing or hunting activity. The exempt person is responsible for complying with the reporting requirements of the Wildlife Resources Commission (WRC) rules, complying with hunter safety requirements in GS 113-270.1A, purchasing any federal migratory waterfowl stamps as a result of hunting activity, and complying with any other state license requirements.

**ASSUMPTIONS AND METHODOLOGY:**

Hunting and Fishing Licenses

This bill exempts the relevant individuals from all of North Carolina’s hunting, inland, and coastal recreational fishing licenses. There are over 30 types of hunting and fishing licenses and privileges available for purchase through WRC and Division of Marine Fisheries (DMF). A complete list of licenses sold is available on WRC’s website. Licenses vary in:

- Term: Some are for six days, others 12 months; there are also lifetime licenses;
- Privileges: Some allow coastal fishing, others inland fishing; some allow big game hunting, others county trapping; and
- Cost: Prices range from \$5 for resident State Inland Fishing License to \$200 for a non-resident State Inland Fishing Devices license.

WRC is responsible for all Hunting licenses sold in North Carolina as well as Inland Fishing licenses. DMF manage Coastal Recreational Fishing Licenses (CRFL). In addition, there are “Unified” licenses which combine hunting, inland fishing, and/or coastal recreational fishing; the revenue from these licenses is divided between DMF and WRC. In 2008, over one million hunting and fishing licenses were sold, bringing in more than \$20 million. Table 1 provides annual sales and revenue figures for the three primary license types in 2008.

**Table 1: Annual and Short-term Hunting & Fishing License Sales by Agency**

<b>License</b>	<b>Responsible Agency</b>	<b>Total Sold</b>	<b>Estimated Gross Receipts</b>	<b>Average Cost</b>
CRFL	DMF	331,160	\$ 4,187,725	\$ 12.65
Unified	DMF/ WRC	45,449	\$ 2,067,155	\$ 45.48
Hunting & Inland Fishing	WRC	664,557	\$ 14,356,710	\$ 21.60
<i>Total</i>		<i>1,041,166</i>	<i>\$ 20,611,590</i>	<i>\$ 19.80</i>

Table 2 provides 2008 sales for the three primary license types by North Carolina residents and non-residents.

**Table 2: Annual and Short-term Hunting & Fishing License Sales by Resident Status**

<b>Resident Status</b>	<b>Total Sold</b>	<b>Estimated Gross Receipts</b>	<b>Average Cost</b>
Resident	795,631	\$ 16,284,135	\$ 20.47
Non-resident	245,535	\$ 4,327,455	\$ 17.62
<i>Total</i>	<i>1,041,166</i>	<i>\$ 20,611,590</i>	<i>\$ 19.80</i>

Licenses and Military Status

WRC and DMF do not have an accurate way to obtain or estimate the number of licenses issued to active duty military or full time military reserve, much less North Carolina residents who are

active duty military or full-time military reserve serving outside of the state. Hunting and Fishing license applications ask one question about military status: whether or not a non-resident applicant is a member of the military and stationed in North Carolina. If so, the applicant is deemed a resident of North Carolina when purchasing licenses. In FY 2007-08, WRC issued approximately 10,000 license to military personnel based on this provision. This is the only data that WRC collects related to military personnel and hunting and fishing license.

The North Carolina Division of Veteran's Affairs (NCDVA) can provide the number of North Carolina residents serving out of state; they estimate that, on average, there are 25,000 active duty North Carolinians serving out of state.

### Estimating Fiscal Impact of H.B. 97

Because of a lack of data, there is no accurate way to determine the fiscal impact of H.B. 97.

There are four unknown variables complicating this analysis:

1. How many hunting and fishing licenses have been purchased historically by active duty, resident North Carolinians who are serving out of state?
2. What licenses do these individuals and their families purchase?
3. How is the revenue from these licenses allocated between WRC and DMF?
4. What are the administrative costs associated with this change?

Using available data, it is possible to provide possible scenarios and the fiscal impact of those scenarios on the combined revenue expected by WRC and DMF from hunting and fishing licenses. This note provides three estimates of the fiscal impact of H.B. 97. These estimates, described below, vary based upon the assumed historical rate of license purchase by active duty North Carolina residents stationed outside of the state.

1. **Scenario 1: Do Not Purchase Licenses:** Active duty North Carolina residents serving outside of the state purchase no hunting and fishing licenses. This scenario assumes that none of the relevant population historically purchased hunting and fishing licenses. The expected impact of H.B. 97 on license purchases would be 0.
2. **Scenario 2: Historically Purchase Licenses at the Same Rate as Non-military North Carolinians:** Active duty resident North Carolinians will purchase hunting and fishing license at the same rate as other, non-military North Carolinians. In 2008, North Carolina residents purchased over 792,000 annual and short-term fishing and hunting licenses. This figure excludes lifetime licenses. The US Census estimates that North Carolina's population exceeded 9.22 million as of July 1, 2008. This means that approximately 8.6% of North Carolinians purchased some form of annual or short term hunting and fishing license in 2008. Applying this figure to the population affected by this bill (25,000); one could reasonable expect the impacted population to purchase 2,157 hunting and fishing licenses in a given year.

The assumption that military personnel purchase hunting and fishing licenses at the same rate as non-military North Carolinians, most likely, over-estimates the military rate of purchase. Based on age and other demographic characteristics, NCDVA hypothesizes that

military personnel actually purchase hunting and fishing licenses at a rate below the general population.

3. **Scenario 3: All Historically Purchase Licenses:** All eligible active duty military historically purchased some form of hunting and/ or fishing license. In this case, the 25,000 relevant military personnel would become exempt from license fees, resulting in 25,000 fewer hunting and fishing license purchases.

While these are reasonable estimates of the number forgone license purchases due to H.B. 97, there is no credible way to determine *which* licenses military personnel are buying. Thus, using the 2008 average cost of a residential annual or short term license \$19.80 (see Table 2), Table 3 summaries the fiscal impact of H.B. 97 under the three scenarios outlined above.

**Table 3: Expected Fiscal Impact of Outlined Scenarios**

Historical Purchase Behavior	Exempted Purchases	Revenue Decrease due to Exemptions
1 No Purchases	-	\$ -
2 Rate of Non-military North Carolinians	2,157	\$ 42,709
3 All Purchase	25,000	\$ 495,000

It is important to note that both Scenario 2 and 3 assume that all 25,000 active duty North Carolina residents who are stationed outside of the state return to North Carolina while on leave. To the extent that this assumption is incorrect, the estimates provided in Table 3 are inflated. For example, if 75% of the exempt population returns to North Carolina while on leave instead of the assumed 100%, then the expected number of hunting and fishing license foregone would drop to 1,618 in Scenario 2 and 18,750 in Scenario 3.

Finally, WRC estimates that H.B. 97 would not require a change to current licenses or the license application process. The bill indicates that in order to qualify for this exemption, the individual must have his or her military identification card and a copy of the official document issued by the service unit that confirms that he or she is on authorized leave from a duty station outside of North Carolina. To build awareness of the exemption, notices would be made through WRC and DMF agents, Website postings, press releases, and WRC's annual Regulations Digest. In addition, the exemption would be posted on the license sales screens for those purchasing licenses online. These are the normal practices when changes are made to WRC's licensing structure. Thus, there are minimal administrative costs associated with implementing H.B. 97.

**SOURCES OF DATA:**

Division of Marine Fisheries, North Carolina Department of Environment and Natural Resources.  
 North Carolina Division of Veterans Affairs, North Carolina Department of Administration.  
 North Carolina Wildlife Resources Commission.  
 United States Census Bureau. Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2000 to July 1, 2008.

**TECHNICAL CONSIDERATIONS:** None

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