

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 760** HLS 16RS 514

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2016 8:13 AM	Author: WHITE, MALINDA
Dept./Agy.: Wildlife & Fisheries	Analyst: Zachary Rau
Subject: Commercial Grab Gear License Fees/Disposition of Fees	

FISHING/CRABS

OR INCREASE SD RV See Note

Page 1 of 2

Provides for commercial crab gear licenses

Proposed law increases fees for resident commercial crab gear licenses by \$50, from \$50 to \$100. Proposed law provides that \$80 of the new fee total be directed to the statutorily dedicated Conservation Fund, of which \$50 shall be used for the enforcement and regulation of the crab industry. Proposed law increases fees for nonresident commercial crab gear licenses by \$200, from \$200 to \$400. Proposed law provides that \$320 of the new fee total be directed to the statutorily dedicated Conservation Fund, of which \$200 shall be used for the enforcement and regulation of the crab industry. Proposed law provides that no person shall be issued a commercial crab trap gear license unless the applicant can demonstrate one of the following: (1) Proof of possessing a valid commercial crab trap gear license any two years between 2011 and 2014 as well as an income tax report stating that 75% of the applicant's income is derived from commercial fishing, or (2) The applicant possessed a valid wholesale/retail seafood dealer's license at least two years between 2011 and 2014 and can demonstrate proof of at least 60 crab landings through trip ticket submissions during the same period.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may result in a one-time increase in expenditures of \$21,600 from the statutorily dedicated Conversation Fund for the Dept. of Wildlife & Fisheries (LDWF) in FY 17 and by an indeterminable amount in subsequent years. LDWF anticipates an indeterminable increase in annual expenditures associated with verifying income tax records for persons applying for commercial crab gear licenses. The department currently does not have a mechanism to perform this service, and to the extent one is required, LDWF may need additional resources in FY 17 and subsequent fiscal years to implement this provision of the proposed legislation.

LDWF may incur programming costs associated with update its licensing system to change privilege types, which total approximately \$21,600. Resources from the statutorily dedicated Conservation Fund will fund the programming expenditures. The Legislative Fiscal Office believes that any additional IT work associated with this legislation will be incremental in nature, and that the Department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the Department may require additional resources.

REVENUE EXPLANATION

Proposed law will increase revenues for the statutorily dedicated Conservation Fund by an indeterminable amount. The proposed legislation increases license fees for a residential commercial gear license by \$50, from \$50 to \$100. Furthermore, the proposed legislation increases license fees for a non-residential commercial gear license by \$200, from \$200 to \$400. This bill does not alter dedications of license fees to the Derelict Crab Trap Removal Program Account or the Crab Promotion and Marketing Account, which will each continue receiving \$10 per residential license and \$40 for every non-residential license issued. However, the proposed legislation provides that the remaining revenues (\$80 for residential licenses, \$320 for non-residential licenses) associated with the fees be placed in the statutorily dedicated Conservation Fund. The proposed legislation provides that \$50 of the \$80 balance from residential licenses, as well as \$200 of the \$320 balance, be used solely for enforcement and regulation activities of the crab industry. **(See Revenue Explanation continued on Pg. 2)**

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director

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CONTINUED EXPLANATION from page one:

(Revenue Explanation continued from Pg. 1) For reference, a four-year average of residential licenses issued from FY 11-14 totals 3,653. A four-year average of non-residential licenses issued during the same period totals 70. To the extent all licenses are renewed with the increased fees in FY 17, the LA Dept. of Wildlife & Fisheries will realize a revenue increase of approximately \$196,050 (3,653 residential licenses * \$50 fee increase + 70 commercial licenses * \$200 fee increase), from \$196,050 to \$392,100. However, because revenues are dependent upon licenses being issued and renewed, the exact increase is indeterminable.

Note: To the extent commercial crab trap gear licensees are not able to comply with the provisions for reporting of income earned from commercial fisheries or demonstration of at least sixty crab landings between 2011 and 2014, LDWF may issue fewer licenses as a result of fewer applicants meeting criteria outlined in statute. As a result, revenues from license fees would decrease.

Senate Dual Referral Rules House

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