



**House
Legislative
Analysis
Section**

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BEAR HUNTING LICENSES

**House Bill 5055 as enrolled
Public Act 103 of 1996
Second Analysis (3-20-96)**

**Sponsor: Rep. Kim Rhead
House Committee: Conservation,
Environment and Great Lakes
Senate Committee: Natural Resources
and Environmental Affairs**

THE APPARENT PROBLEM:

The Department of Natural Resources (DNR) issued 5,592 bear hunting licenses for the 1995 hunting season. Of these, approximately 75 were issued to nonresident hunters. The cost of purchasing a license to hunt bear is \$14 for state residents and \$150 for nonresidents. However, the sale of these 5,592 licenses does not result in as much revenue as the figures would suggest. First, licenses are purchased from licensing agents, who are entitled to withhold a percentage of the amount they receive in sales as a commission. Secondly, following a computer lottery among applicants, each unsuccessful applicant receives a refund. In addition to these deductions from bear hunting license revenues, the department incurs postage and handling costs. Since applicants for most other hunting licenses must pay nonrefundable application fees, it has been suggested that these fees also be imposed on bear hunters, in addition to license fees, to increase the department's revenue for this program.

Bear hunting enthusiasts report on other problems that afflict their sport. They label some license applicants as "frivolous," referring to applicants for bear hunting licenses who have never hunted bear and who may never use the license they acquire. Other, more serious violations of the law are attributed to guides or "outfitters" -- persons who, for a fee, establish and maintain bait piles for hunters. Reportedly, many of these entrepreneurs encourage friends and relatives to apply for bear hunting licenses, acquire them for themselves, and then sell them to customers. It has been suggested that a provision for a nonrefundable application fee for bear hunting licenses would also act as a disincentive to "frivolous" and "fraudulent" license applicants.

THE CONTENT OF THE BILL:

Under the Natural Resources and Environmental Protection Act, applicants for a license to hunt bear must purchase a license, at a cost of \$14 for state residents or \$150 for nonresidents. House Bill 5055 would amend the act to permit the Department of Natural Resources (DNR) to establish, in addition, a nonrefundable application fee of up to \$10. The provisions would be in effect for two years following the effective date of the bill.

MCL 324.43528

FISCAL IMPLICATIONS:

According to the Department of Natural Resources (DNR), there were 25,000 bear hunting license applications for the 1995 hunting season. The bill would therefore result in an increase in revenues of \$250,000. This would offset the cost of administering the bear hunting licensing program, which is \$56,000 per year. This includes personnel costs and the cost of mailing licenses, mailing application guides to licensing agents, expenditures for the lottery, and costs of processing applications. (10-17-95)

ARGUMENTS:

For:

The primary source of funding for the state's hunting and fishing programs is the Game and Fish Protection Fund, which is administered by the Department of Natural Resources (DNR). Most of the income for the fund comes from the sale of hunting, fishing, and trapping licenses, with the remainder coming from a variety of sources, including oil and gas royalties and

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leases on Game and Fish Fund-acquired lands, sale of timber, rental of blinds in game areas, and interest. License fees were last increased in 1986, with the intention that the added revenues would put the fund on sound financial footing until 1991. Meanwhile, inflation has eaten into the fund, and fees have not been increased. Consequently, the DNR has held meetings with interested parties around the state regarding license fee increases. In the meantime, those who apply for wild turkey, antlerless deer, or waterfowl permits pay a nonrefundable application fee for each permit. It seems only fair that those who benefit most from the opportunity to acquire a bear hunting license should help pay for the hunting and wildlife programs by paying a nonrefundable application fee.

Response:

If hunting and fishing license fees are to be increased in the near future, then the provisions of the bill are premature. For example, if the license fee for hunting bear was increased from \$14 to \$17 for residents and \$150 to \$175 for nonresidents, then theoretically, nonrefundable application fees might also be proportionately increased.

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.