

Legislative Analysis



PHEASANT HUNTING LICENSE FEE ALLOCATION

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House Bill 4126 (H-1) as reported from committee

Sponsor: Rep. Gary Howell

Committee: Natural Resources and Outdoor Recreation

Complete to 2-18-21

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 6 of 2021)

BRIEF SUMMARY: House Bill 4126 would amend Part 435 (Hunting and Fishing Licensing) of the Natural Resources and Environmental Protection Act (NREPA) to change the allocation of fees collected for pheasant hunting licenses.

FISCAL IMPACT: The bill is likely to decrease revenue for the Department of Natural Resources (DNR). The extent of the decrease depends on the number of permits sold, which is unclear at present. (Please see **Fiscal Information**, below, for a detailed discussion.)

THE APPARENT PROBLEM:

According to committee testimony, the pheasant hunting license and stamp program enacted last session¹ inadvertently omitted certain allocations that are typically made for license fees under NREPA. Currently, 100% of the fees collected under the pheasant program are deposited into the pheasant subaccount of the Game and Fish Protection Fund. However, portions of license fees are usually reserved or allocated for other purposes. For instance, retailers selling licenses can generally retain a portion of fees collected. In addition, a portion of all license fees is deposited into the Wildlife Resource Protection Fund to help stop poaching. Legislation has been introduced to allow for those fee allocations in the pheasant program.

THE CONTENT OF THE BILL:

Currently under NREPA, 100% of the fees collected for each pheasant hunting license must be deposited in the pheasant subaccount of the Game and Fish Protection Fund. The fee for a pheasant hunting license is \$25.

Under the bill, the fees would be deposited into that subaccount after allocations are made as provided for in sections 43541 and 43555 of NREPA.

Section 43541 allows a person authorized to issue licenses to retain 7.5% of the fees for each sportcard, license, duplicate license, application, or permit sold.

Section 43555 requires 35 cents from each license and stamp fee prescribed by Part 435 (except fees for certain licenses issued to minors) to be deposited in the Wildlife Resource Protection Fund.

In addition, the law currently allows the DNR to spend money from the subaccount to release live pheasants on state-owned land suitable for pheasants. The bill would additionally allow the money to be spent for costs associated with the purchase of live pheasants to be released.

MCL 324.43525c

¹ 2020 PA 262 (HB 4313): <http://legislature.mi.gov/doc.aspx?2019-HB-4313>

FISCAL INFORMATION:

House Bill 4126 is likely to decrease revenue for the DNR by diverting a portion of the pheasant hunting permit revenue from departmental funds to permit retailers; the extent of this revenue decrease is dependent on the number of permits sold, which is unclear at present. Current law provides for 100% of permit revenue to be deposited to the pheasant subaccount within the larger Game and Fish Protection Fund established in the State Constitution of 1963. It is important to note that statute dictates hunting permit revenue diversion to permit retailers for other extant species-specific permits, so the bill would bring pheasant hunting permit revenue in line with other permits. The sale of hunting and fishing licenses generated \$65.6 million in revenue for DNR in FY 2019-20. The department's Wildlife Division has a budget of \$46.8 million for FY 2020-21, including \$46.2 million for wildlife management programs. The bill is unlikely to affect departmental costs, local government costs, or local government revenues.

ARGUMENTS:

For:

Supporters of the bill argue that retailers selling pheasant licenses should be able to retain the standard percentage of the license fee to help cover their business costs in selling the licenses and that the Wildlife Resource Protection Fund is a worthwhile endeavor that should continue to be funded through license fee allocations.

Against:

No arguments against the bill were presented in House committee testimony.

POSITIONS:

Representatives of the following entities testified in support of the bill (2-18-21):

- Department of Natural Resources
- Michigan United Conservation Clubs

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