

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 367 - SB 1385

March 2, 2019

SUMMARY OF BILL: Authorizes the Tennessee Wildlife Resource Agency (TWRA) to issue permanent sport combination hunting and fishing licenses to any Tennessee residents who are honorably discharged veterans, for a 10 dollar fee.

ESTIMATED FISCAL IMPACT:

State Revenue – Net Impact – Not Significant/Wildlife Resources Fund

**Increase State Expenditures – \$2,247,900/FY19-20/General Fund
\$3,024,900/FY20-21 and Subsequent Years/
General Fund**

Assumptions:

- According to the United States Department of Veterans Affairs (USDVA), there are approximately 470,390 veterans in Tennessee. Of that population, approximately 84.65 percent are honorably discharged or discharged under honorable conditions.
- It is estimated that 398,185 (470,390 veterans x 84.65%) honorably discharged veterans live in Tennessee.
- Statistics from the USDVA show that 116,490 veterans in Tennessee receive disability compensation. Veterans that are 100 percent disabled or 30 percent disabled from wartime efforts are currently eligible for discounted licenses in Tennessee pursuant to rules promulgated by the TWRA and Tenn. Code Ann. §70-2-104(a)(4)(B).
- It is assumed that 75 percent of these disabled veterans or 87,368 (116,490 x 75%), who are currently eligible for a discounted license, will not purchase a license under the proposed legislation. Therefore, 310,817 veterans (398,185 - 87,368) will be eligible for the discounted license proposed under this legislation.
- Furthermore, it is assumed that 25 percent of eligible veterans or 77,704 veterans (310,817 x 25%), will purchase a license as a direct result of the proposed legislation.
- According to the USDVA, approximately 45.19 percent of veterans are over the age of 65. It is therefore assumed that 35,114 veterans (77,704 x 0.4519) that will purchase the proposed one-time license, are 65 years of age or older, and currently possess annual licenses.
- The average senior buying an annual license spends \$12.85 each year. The proposed legislation would provide a permanent license for a one-time fee of \$10.

HB 367 – SB 1385

- The proposed legislation will result in a decrease in state revenue of \$2.85 per license in FY19-20; and a recurring decrease in state revenue of \$12.85 per license in FY20-21 and subsequent years.
- The decrease in state revenue to the Wildlife Resources Fund (WRF) is estimated to be \$100,075 (35,114 x \$2.85) in FY19-20; and the recurring decrease in state revenue to the WRF is estimated to be \$451,215 (35,114 x \$12.85) beginning in FY20-21.
- The average hunter buying an annual combination license spends \$60.43 each year. The remaining 42,590 veterans (77,704 veterans utilizing - 35,114 senior veterans) will purchase the proposed combo license for a one-time fee of \$10.
- The proposed legislation will result in a decrease in state revenue of \$50.43 per license in FY19-20; and a recurring decrease in state revenue of \$60.43 per license in FY20-21 and subsequent years.
- The decrease in state revenue to the WRF is estimated to be \$2,147,814 (42,590 x \$50.43) in FY19-20; and the recurring decrease in state revenue to the WRF is estimated to be \$2,573,714 (42,590 x \$60.43) beginning in FY20-21.
- Tenn. Code Ann. § 70-2-104(f) requires the TWRA to be reimbursed for any lost revenue resulting from the issuance of a free or partially-discounted combination hunting and fishing license.
- Reimbursement in the full amount will be paid from the General Fund to WRF; the net impact to the WRF will be not significant.
- The total increase in state expenditures from the General Fund is estimated to be \$2,247,889 (\$100,075 + \$2,147,814) in FY19-20; and the recurring increase in state expenditures from the General Fund is estimated to be \$3,024,929 (\$2,573,714 + \$451,215) beginning in FY20-21.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/abw