

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1340 (Fifth Edition)

SHORT TITLE: Sale of Blocks of Ten-Day CRFLs.

SPONSOR(S): Senator Jenkins

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES:	No Estimate Available – See Assumptions and Methodologies				
EXPENDITURES:	No Estimate Available – See Assumptions and Methodologies				
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Division of Marine Fisheries, Department of Environment and Natural Resources.				
EFFECTIVE DATE:	January 1, 2009.				

BILL SUMMARY: Senate Bill 1340 would allow the owner of a vessel that is 23 feet or more in length and is documented with the United States Coast Guard or registered with the Wildlife Resources Commission to purchase a block of 10 Ten-Day Coastal Recreational Fishing Licenses (CRFL). An individual Ten-Day CRFL issued as part of a block of 10 Ten-Day CRFLs may only be used on the vessel for which it was issued and may not be used on a for hire boat.

An individual Ten-Day CRFL is valid for a period of 10 consecutive days beginning on the date that the license information is recorded on the license. The fee for a block of 10 Ten-Day CRFLs is one hundred fifty dollars (\$150.00). Currently a non-resident can purchase a Ten-Day CRFL for \$10 and a resident can purchase a Ten-Day CRFL for \$5. Licenses can be purchased through the Wildlife Resources Commission (WRC) website, at Division of Marine Fisheries (DMF) offices, or at retail outlets.

ASSUMPTIONS AND METHODOLOGY: In 2007, the first full calendar year the Ten-Day CRFL was available, 171,364 Ten-Day CRFLs were sold. Of these, 23% (40,255) were purchased by residents and 77% (131,109) by nonresidents. Because CRFLs purchased through the block

system have a higher cost (\$15) than those purchased individually (\$5 or \$10) each block of CRFLs sold will bring in additional income to the Marine Resources Fund above and beyond current sales. However, each license purchased through the block system will have corresponding printing and administrative costs which will be incurred by DMF.

No estimate is available regarding the number of people who will switch to purchasing CRFLs via blocks of Ten-Day CRFLs. There are 42,943 boats of greater than 23 feet registered with WRC. WRC does not collect data on whether these boats are used in saltwater or freshwater.

Revenues:

It is unclear how many of the people who currently purchase Ten-Day CRFLs through retail outlets or online will switch to buying the blocks of Ten-Day CRFLs available at DMF offices. Ten-Day CRFLs purchased in blocks will cost \$15 per license. This rate is \$10 increase compared to licenses purchased by residents of North Carolina which cost \$5 and a \$5 increase compared to licenses currently available to nonresidents which cost \$10. Therefore each booklet of ten licenses sold will create between \$50 and \$100 in additional revenue to the Marine Resources Fund depending on what proportion of the purchasers are nonresidents or residents.

Expenditures:

The Division of Marine Fisheries (DMF) will be responsible for printing and selling the blocks at DMF offices. DMF estimates the cost of printing to be \$5.00 per block or 50 cents per license. Additionally, DMF will incur the costs of entering the information submitted by the vessel owner. Both of these costs will be proportionate to the number of licenses sold. For comparison, the Wildlife Resources Commission receives \$2.30 per license to process one Ten-Day CRFL sales. DMF does not have the authority to charge a transaction fee and will have to pay for the printing, processing and information gathering out of existing funds.

SOURCES OF DATA: Division of Marine Fisheries; Wildlife Resources Commission.

TECHNICAL CONSIDERATIONS: None

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DATE: July 2, 2008.



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