

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	HB 5503	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Agriculture & Natural Resources Appropriations Subcommittee and Broxson	117 Y's	0 N's
COMPANION BILLS:	None	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

HB 5503 passed the House on May 2, 2013, and subsequently passed the Senate on May 3, 2013. The bill includes portions of CS/CS/CS/HB 333, which passed the House on April 17, 2013, and passed the Senate on April 26, 2013.

In chapter 2008-106, Laws of Florida, the Legislature mandated that on July 1, 2013, and every 5 years thereafter, vessel registration fees (s. 328.72(1)(b), F.S.) and recreational hunting and fishing licenses fees (s. 379.354(1)(b), F.S.) be adjusted by the percentage change in the Consumer Price Index (CPI) for all Urban Consumers since the fees were last adjusted unless otherwise provided by general law. In addition, by February 1 of each year in which the adjustment is scheduled to occur, the Fish and Wildlife Conservation Commission (FWC) is required to submit a report to the President of the Senate and the Speaker of the House of Representatives describing how the increases will be used within the agency.

The bill deletes subsections 328.72(1)(b) and 379.354(1)(b), Florida Statutes, eliminating the CPI adjustments to vessel registration fees and recreational hunting and fishing license fees, respectively, that would have taken effect July 1, 2013, and deletes the report to the Legislature describing how the increased revenues would be used within the agency.

There is no fiscal impact on local government. There will be a significant negative fiscal impact to the state from the revenue loss of \$6.8 million in Fiscal Year 2013-2014. However, the appropriations supported by the trust funds are not expected to substantially increase and the status of the trust funds appear adequate to meet the commission's needs. Boat owners and resident and nonresident purchasers of recreational hunting and fishing licenses will not receive an increase in their vessel registration fees and license fees, respectively.

The bill was approved by the Governor on May 20, 2013, chapter 2013-56, Laws of Florida, and became effective July 1, 2013.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

In chapter 2008-106, Laws of Florida, the Legislature mandated that on July 1, 2013, and every 5 years thereafter, vessel registration fees¹ and recreational hunting and fishing licenses fees² be adjusted by the percentage change in the Consumer Price Index (CPI) for all Urban Consumers since the fees were last adjusted unless otherwise provided by general law. In addition, by February 1 of each year in which the adjustment is scheduled to occur, the Fish and Wildlife Conservation Commission (FWC) is required to submit a report to the President of the Senate and the Speaker of the House of Representatives describing how the increases will be used within the agency.

Based on general guidance from the Office of Economic and Demographic Research, FWC calculates the following fee changes that will take effect on July 1, 2013.³

Fee Title	Date of Last Fee Increase	Current Annual Fee*	CPI Adjustment	New Fee
VESSEL REGISTRATIONS				
Class A-1—Less than 12 feet in length & all canoes to which propulsion motors have been attached	07/01/2008	\$5.50	\$0.61	\$6.11
Class A-2—12 feet or more & less than 16 feet in length	07/01/2008	\$16.25	\$1.79	\$18.04
Class 1—16 feet or more & less than 26 feet in length	07/01/2008	\$28.75	\$3.17	\$31.92
Class 2—26 feet or more & less than 40 feet in length	07/01/2008	\$78.25	\$8.63	\$86.88
Class 3—40 feet or more & less than 65 feet in length	07/01/2008	\$127.75	\$14.10	\$141.85
Class 4—65 feet or more & less than 110 feet in length	07/01/2008	\$152.75	\$16.86	\$169.61
Class 5—110 feet or more in length	07/01/2008	\$189.75	\$20.94	\$210.69
Dealer registration certificate	07/01/2008	\$25.50	\$2.81	\$28.31
RESIDENT HUNTING & FISHING LICENSES				
Annual freshwater fishing license	10/01/2007	\$15.50	\$2.20	\$17.70
Annual saltwater fishing license	10/01/2007	\$15.50	\$2.20	\$17.70
Annual hunting license to take game	10/01/2007	\$15.50	\$2.20	\$17.70
Annual combination hunting & freshwater fishing license	10/01/2007	\$31.00	\$4.40	\$35.40
Annual combination freshwater & saltwater fishing license	10/01/2007	\$31.00	\$4.40	\$35.40
Annual combination hunting, freshwater fishing & saltwater fishing license	10/01/2007	\$46.50	\$6.60	\$53.10
Annual sportsman's license	10/01/2007	\$79.00	\$11.22	\$90.22
Annual sportsman's license for a resident 64 years of age and older	07/01/1998	\$12.00	\$5.21	\$17.21
Annual gold sportsman's license	10/01/2007	\$98.50	\$13.98	\$112.48
Annual military gold sportsman's license	05/24/2005	\$18.50	\$4.05	\$22.55
NONRESIDENT HUNTING & FISHING LICENSES				
Freshwater fishing license for 3 consecutive days	10/01/2007	\$15.50	\$2.20	\$17.70
Freshwater fishing license for 7 consecutive days	10/01/2007	\$28.50	\$4.05	\$32.55
Saltwater fishing license for 3 consecutive days	10/01/2007	\$15.50	\$2.20	\$17.70
Saltwater fishing license for 7 consecutive days	10/01/2007	\$28.50	\$4.05	\$32.55
Annual freshwater fishing license	10/01/2007	\$45.50	\$6.46	\$51.96
Annual saltwater fishing license	10/01/2007	\$45.50	\$6.46	\$51.96
Hunting license to take game for 10 consecutive days	10/01/2007	\$45.00	\$6.39	\$51.39
Annual hunting license to take game	07/01/1989	\$150.00	\$141.31	\$291.31
TRAPPING LICENSE				
Annual license to take fur-bearing animals	07/01/1966	\$25.00	\$157.72	\$182.72

*These are base statutory fees, and do not include any additive administrative fees that apply.

The FWC calculates state revenues will increase by \$6.8 million in Fiscal Year 2013-14 based on the scheduled fee increases.⁴

¹ Section 328.72(1)(b), F.S.

² Section 379.354(1)(b), F.S.

³ Fish and Wildlife Conservation Commission, *Report on Use of Increased Fees within the Fish and Wildlife Conservation Commission* (February 1, 2013).

Vessel Registration	\$2,343,606
Hunting Licenses	\$659,216
Freshwater Fishing Licenses	\$1,046,757
Saltwater Fishing Licenses	<u>\$2,723,652</u>
	<u>\$6,773,231</u>

The FWC commissioners met in December and developed the following recommendations:⁵

- Postpone the current 2013 implementation date until 2015;
- Modify the adjustment language to specify legislative intent for calculating the new fee and consider a 5-year limit on the amount of the adjustment to prevent too large a change for fees that have not had a recent update;
- Allow for rounding to the nearest 50 cents;
- Include a provision to automatically update the fee amounts in their respective sections of substantive law; and
- Specify whether or not the vessel registration adjustment includes any change to the county portion of the fee.

Effect of Proposed Changes

The bill deletes subsections 328.72(1)(b) and 379.354(1)(b), Florida Statutes, eliminating the CPI adjustments to vessel registration fees and recreational hunting and fishing license fees, respectively, that would have taken effect July 1, 2013, and the report to the Legislature describing how the increased revenues would be used within the agency.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

On April 22, 2013, the Revenue Estimating Conference adopted an estimate indicating a recurring loss to state trust funds of \$2.1 million from vessel registration fees and a recurring \$0.2 million loss to the General Revenue Fund based on the service charge on trust fund revenue. The Fish and Wildlife Conservation Commission estimated a recurring loss of \$4.5 million based on recreational hunting and fishing license fees. However, the appropriations supported by the trust funds are not expected to substantially increase and the status of the trust funds appear adequate to meet the commission's needs.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

⁴ Id.

⁵ Id.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Boat owners who are required to register their boats will not receive an increase in the registration fees. Resident and nonresident purchasers of recreational hunting and fishing licenses will not receive an increase in their license fees.

D. FISCAL COMMENTS:

The projected vessel registration revenue is based on the December 7, 2012, Highway Safety Licenses and Fees Revenue Estimating Conference. The license fee revenue increases were calculated using projected unit sales, modified by a possible consumer reaction to not buy a license after a fee increase (protest effect), and multiplied by the fee increase.⁶

⁶ Ibid.