

EXECUTIVE SUMMARY

The Licensing and Funding Advisory Council believes that Montana's fishing and hunting constituents value the current level of services provided by FWP. The Council also recognizes that FWP cannot maintain these services with the income generated by current license fees, and that the Legislature's last major license fee adjustments were made in 2005. With a goal of generating revenue for fish and wildlife management, and in the interest of simplifying the license structure, the Council recommends the following:

1. **Recommendation:** Standardize youth, senior, disabled, and nonresident free and discounted licenses at 50% of the equivalent, full-priced license. Increase the age at which seniors are eligible for discounted licenses from 62 to 67.

Rationale: A standard 50% discounted license will simplify license purchases, help ensure that the buyer sees value in the license (compared to how someone views a free license), and means that those paying the full license price do not have to completely subsidize hunters and anglers receiving free licenses. Eliminating the free licenses will also result in additional revenue. Montana has the lowest age for eligibility for a senior discounted license and age 67 is comparable to Social Security eligibility requirements.

2. **Recommendation:** Establish a new base hunting license at a cost of \$10 for residents and \$15 for nonresidents that is a prerequisite to purchasing individual species tags and the archery stamp. These prices include the existing Hunting Access Enhancement fee (\$2 for residents and \$10 for nonresident).

Rationale: The base license is preferable to increasing the prices of individual species tags, as it recognizes the value of core customers, spreads the financial impact across all hunters, provides equity between firearm and archery hunters who are paying for additional season opportunities, resolves archery stamp compliance issues, contributes to FWP's financial stability, overcomes potential vulnerability in the number of licenses sold, and allows the conservation license to remain as a stand-alone item that could generate revenue from non-consumptive users in the future.

3. **Recommendation:** Increase prices for bison, moose, mountain goat, and mountain sheep *nonresident* licenses from \$750 to \$1250.

Rationale: The opportunity to hunt bison, moose, mountain goat and mountain sheep in Montana is highly desirable to hunters. The current prices for these licenses are undervalued when compared to other states that offer similar opportunities.

4. **Recommendation:** Increase the price of the *resident* 2-day fishing license from \$5 to \$8, and the *resident* season license from \$18 to \$24; increase the price of the *nonresident* 2-day fishing license from \$15 to \$26, convert the 10-day *nonresident* fishing license into a 7-day license and increase the cost from \$43.50 to \$56, and increase the *nonresident* season fishing license from \$60 to \$86.

Rationale: The Council believes that Montana's fishing opportunities are currently undervalued. Montana's *resident* fishing license pricing fell below the 11-state *average* and *median* prices. Montana was also below the average for *nonresident* fishing license pricing when compared to most of the other states. There is also data showing that on average, nonresidents who purchased a 10-day license go fishing seven days. Changing to a 7-day license is a better match with customer use patterns.

5. **Recommendation:** Cap the price of the B-10 nonresident big game combination license and the B-11 nonresident deer combination license, including purchase of the new base hunting license and application fees, at \$999 and \$625 respectively.

Rationale: Revenue from the sale of these nonresident licenses accounts for almost two-thirds of FWP's funding for fish and wildlife management programs that benefit everyone. Statute requires the B-10 and B-11 license prices to be adjusted annually based on the Consumer Price Index. The price of the B-10 license is nearing \$1,000. The Council believes that there will be significant buyer resistance if the price exceeds this amount. FWP has already observed a decline in the sale of nonresident combination licenses as the price has increased.

6. **Recommendation:** Revise the refund policy to allow nonresidents who are unsuccessful in drawing a permit to receive a 95% refund of the big game combination license at the time of the drawing (a change from 80%).

Rationale: The financial impact of changing the policy is small compared to the positive benefits for the customer. The Council believes that the current refund policy is a financial deterrent for many nonresidents considering whether to hunt in Montana. The Council predicts that increasing the amount of the refund will result in more people applying and will create a greater incentive for early license returns and provide FWP greater opportunity to re-sell returned licenses.

7. **Recommendation:** Adopt a four-year model (cycle) for reviewing budget expenditures and revenues and determining the need for license revenue recommendations to the legislature.

Rationale: Compared to the current 10-year funding model, a four-year model allows the legislature a closer connection between spending and revenues, results in a smaller increase in license fees when necessary, and allows for more accurate budget forecasting.

8. **Recommendation:** Develop and provide mechanisms in addition to license dollars to fund the management and maintenance of fish and wildlife resources.

Rationale: All Montanans and visitors benefit from FWP's management activities, which are currently funded largely by people who purchase hunting and fishing licenses. Of those who do not purchase a license, some benefit in ways that have a physical presence creating impacts that FWP must manage. Mechanisms are needed to enable non-license buyers to help support fish and wildlife management.