

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
SENATE, No. 838

STATE OF NEW JERSEY

DATED: APRIL 9, 1997

Senate Bill No. 838 (1R) of 1996 permits any State resident who is 65 years of age or older, permanently and totally disabled, or permanently confined to a wheel chair, to obtain a resident's fishing license free of charge except for a one-time application fee of \$2.00. Under present law, this license is available free of charge only to residents who are completely blind or who are 70 years of age or older (the latter paying only a \$2.00 application fee). Also, under present law, residents 65 to 69 years of age may obtain a fishing license for \$7.75 instead of the regular price of \$16.50; the \$2.00 application fee is not charged.

The bill also requires the Director of the Division of Fish, Game and Wildlife to annually certify to the Director of the Division of Budget and Accounting the amount that the Hunters' and Anglers' License Fund has been reduced as a result of the issuance of free fishing licenses. An amount equal to the certified amount is directed to be annually appropriated from the General Fund to the Hunters' and Anglers' License Fund, which supports the State-funded portion of the Division of Fish, Game and Wildlife's operating budget.

The Office of Legislative Services (OLS) cannot estimate the reduction in fishing license revenues resulting from the bill because the total number of people that would be eligible for this benefit is unknown, as is the percentage of this group who would take advantage of the benefit. However, several limited assumptions can be offered. First, approximately 8,000 discounted fishing licenses are issued annually to persons between 65 and 69 years of age. Assuming these licenses are renewed for only the \$2.00 application fee, revenue totals would be reduced by about \$46,000.

Second, approximately 2,200 free fishing licenses are issued annually to blind residents and persons 70 years of age or older (at least 75 percent going to the latter group). Blind residents now pay no application fee but would pay the \$2.00 fee under the bill. Hence, a new source of revenue, albeit small, would be generated as a result of the application fee.

Third, the bill's provision concerning the General Fund's reimbursement to the License Fund for all free licenses issued would not only cover the new groups eligible for this benefit, it would also include the aforementioned group that already receives free licenses, thereby supplementing the License Fund for a benefit it currently

bestows without reimbursement from the General Fund. It should also be remembered that in order for the General Fund to reimburse the License Fund under the bill, legislation must be enacted to appropriate the specific reimbursement amount. Consequently, there is no guarantee, regardless of the bill's mandate, that the Legislature or the Governor will act on such legislation in any given year.

Last, the OLS estimates that the potential revenue loss may rise in the future due to fee rate increases or a greater demand for such licenses as a result of the incentives provided by the bill.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.