

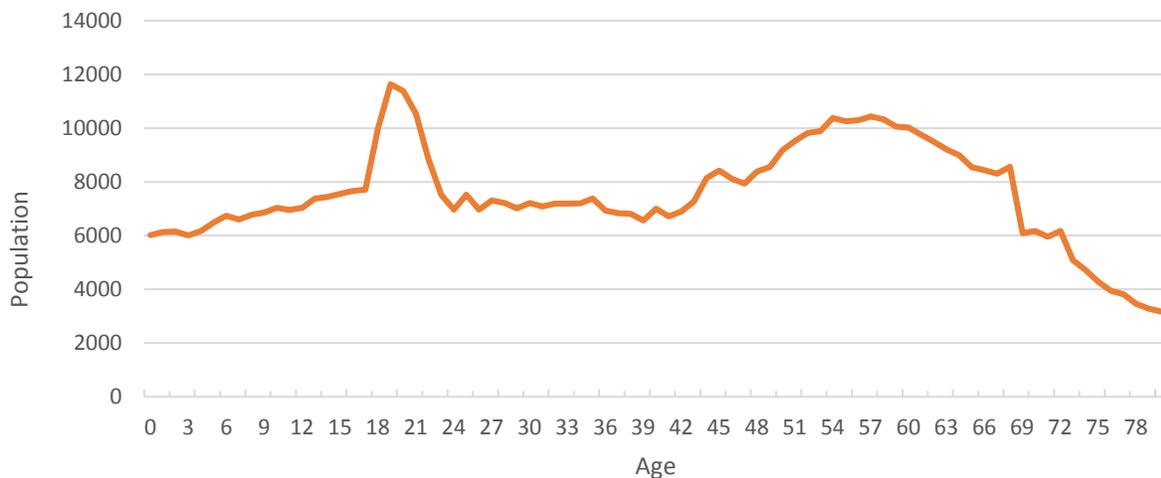
## **Background Information on the Permanent License**

This bill (as amended) would change the age at which Vermonters are eligible for a permanent hunting and fishing license from 70 years old to 66 years old. Before 2017, the age of eligibility was 65 and it cost \$50. The new license would cost \$60.

### **Why make this change?**

The amendment from years old to 70 was made in 2015 to address the fiscal impact of an ongoing demographic shift in the state's population at large which is reflected in license holders as well. Given the large number of participants soon to reach their mid-60s, returning the age of eligibility to 66 years old will result in more of the cost of the Department services which are paid primarily with license revenue (in particular the cost of warden services and fish hatcheries) coming from annual license holders.

However, due the large amount of push back from license holders in the age group nearing 65, lawmakers and the administration are choosing to return to close to the original age of eligibility and deal with the future revenue impacts in other ways.



### **Why not go back to 65 years old?**

Going back to 65 years old will cause a significant administrative problem for license vendors and for the Department, as refunds and returns would have to be given to those who are 65 years old, but have already bought an annual license in 2017. Returning the age of eligibility to 66 seems to be a reasonable way to respond to constituents and customers while not making the license system more confusing and error prone.

### **Why make the effective date January of 2018?**

- Law digest for this year has already been printed and circulated – Doing something different would confuse the public (agents and customers)

- Issue of equity – Two customers of the same age paying two different fees (and one of them being good forever) simply based on what time of the year they purchase a license will not bode well with the public
  - We cannot set a precedent of voiding an annual license in exchange for a permanent license for many reasons and this is what I expect folks would want
- Along the same lines as above, we will likely have customers that purchased an annual license but will want the perm since it includes all tags, etc. They can't have two licenses and it won't seem right to tell them they must purchase all tags when they can get all tags for a cheaper price. Again, we don't want to set a precedent of voiding the annual and allowing a permanent replacement.
  - Also, I think that in this situation the customer will again feel jaded.
- A change mid-year could skew our data

**Why go to \$60 instead of \$50?**

This will somewhat blunt the fiscal impact of returning the age of eligibility. A significant number of customers and constituents who objected to the change suggested an adjustment in price instead, and others said it was not an issue of the cost but of not receiving a permanent license after years of expectation.

**What will be the fiscal impact of the change on the Department?**

In the first years, the change will somewhat increase revenues since a larger permanent license fee will be collected instead of annual fees from those users. In future years (beginning in the fifth year) the change will cost revenue, roughly \$96,000 a year when fully implemented.

Table 1: Estimated Average Amount Spent on Licenses Annually by Age Group

| Permanent License Options            | Year 1   | Year 2        | Year 3        | Year 4       | Year 5         | Year 6         |
|--------------------------------------|----------|---------------|---------------|--------------|----------------|----------------|
| Age 66 and \$60                      | 94,911   | 183,019       | 197,445       | 217,732      | 222,069        | 231,920        |
| 70 and free                          | 94,911   | 97,444        | 154,780       | 209,267      | 263,430        | 328,185        |
| <i>Difference in Revenue Streams</i> | <i>0</i> | <i>85,575</i> | <i>42,665</i> | <i>8,465</i> | <i>-41,361</i> | <i>-96,265</i> |