



Justin Tomei attempts to elicit a gobble from a nearby turkey.

Anything fun costs at least \$8

By Justin Tomei
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Hunting, fishing, and trapping are fun, I know.

The first law of physics is that anything fun costs at least \$8, according to the 2005 South Park episode, of course. With inflation, that's over \$12 today.

What did a 2005 deer license cost? It cost \$15, equal to \$23.11 today. Our deer licenses, currently \$20, haven't kept up with inflation. The pattern fits most license costs in Michigan. I chose deer hunting as my example because it is responsible for the lion's share of license sales and dollars.

Assuming everything is equal, the Department of Natural Resources (DNR) is losing \$3.11 per deer hunter in 2023. In 2022,

there were 586,595 deer hunters, which means the management of our fish and wildlife has \$1.8 million less in buying power – which equates to less habitat work, less research, fewer trees and fewer fish stocked.

But all things are not equal.

In 2005, there were 712,466 deer hunters in Michigan, and the number of hunters has decreased almost every single year since. If those same hunters were still hunting, that is an additional \$2.5 million, even if you don't take into account inflation.

Conservation is losing participants and, as a result, funding.

This is not really a secret, as the Baby Boomers age out of hunting, the younger generations are not back-filling in. Since conservation funding in Michigan

relies heavily on license sales, this poses a serious and ongoing problem for the DNR and their management of all of Michigan's game and nongame species.

There are a few options that I think make sense within Michigan and we can examine other states. Some ideas are relatively simple and some would require serious muscle from the conservation community.

“One-time” license fee increases

Raise license costs. Significant changes to license costs generate more money. 2014 was the last fee structure change, where the new \$10 base license was implemented and deer licenses went from \$15 to \$20 and there were



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changes to several others.

This solution is like hitting something that's stuck really hard with a hammer. It will probably get the job done, but nobody is really going to like doing it.

Reimbursing discounted licenses & other lost revenue

In Michigan, senior citizen hunters receive discounted licenses, and military and disabled veteran hunters receive free licenses. The Michigan legislature is supposed to be reimbursing the Game and Fish Protection fund for the differences between the discounted licenses and full-price licenses. Here's the disappointing part: they don't.

Roughly \$6 million dollars in 2022 was lost, including about \$300,000 in revenue due to discounted non-kill tag replacement printing.

License vendors receive a commission on the licenses they sell. 7.5% of the cost of the license sales. This costs the game and fish fund another \$3.78 million.

Using general funds to backfill the funds from the discounted licenses would be a huge boon to fish and wildlife – \$6 million annually is a good start. This appropriation request is included in MUCC's 2023–2024 legislative priorities.

With the release of the DNR mobile app in the summer of 2022, it is likely more and more license sales will be driven

through the app and less and less commission will be paid out.

General Fund Investment

More general fund investment into the department is another conceptually simple idea. For Fiscal Year(FY) 2022–2023, the department gets 64% of its funding as restricted funds and 18% are general funds.

The Game and Fish Protection fund, totaled \$91.4 million (according to House Fiscal Agency). Wildlife and fisheries shared 40% or \$36,788,300 of \$91.4 million. Where did the rest go?

- 24% to Law Enforcement Division
- 13% to Departmental Administration
- 12% Communication and Customer Services
- 4% Other Departments
- 4% Grants, Department Initiatives, and One-Time
- 2% Capital Outlay
- 1% Forest Resources

Now let's say we funded the Law enforcement division and departmental administration (\$34 million this year) with general funds, where does that leave us? Well, wildlife and fisheries would nearly double their allotment.

As it stands now, the DNR gets 1% of the state's General Fund appropriation, which is about \$94 million. Adding the \$34 million used as an example is a drop

in the bucket in a budget that contains \$16.3 billion in general fund appropriations.

Tying licenses to the Consumer Price Index (CPI)

Five states currently tie their license sales to the CPI, according to the Congressional Sportsmen's Foundation. The mechanism to actually make the change varies from state to state, but the concept is the same.

Every certain number of years, the DNR or Natural Resources Commission equivalent in the state can trigger a license fee increase not to exceed the CPI. Annually, this means the license may increase by a dollar. Sometimes a bit less, sometimes a bit more. This is actually how our Michigan Recreation Passport operates (and then is rounded to the nearest dollar), which was implemented in 2010 at the cost of \$10 and now is up to \$13 for 2023.

The idea behind this is these incremental license costs keep up with increases in expenses for the DNR and allow for a bit more stability in budgeting. It also avoids some of the pitfalls with the large, "one-time" hikes.

Sales tax increase or adjustment

This solution is by far the most complicated, both in implementation and practicality.

Missouri has a permanent sales tax dedicated to conservation. A 1/8th-of-one-cent sales tax generates over \$100 million for conservation annually. This revenue funds the MO DNR and funds land acquisition programs.

Separately, Missouri also has a Soil and Water conservation sales tax: 1/10th of one cent goes to fund operations and development of parks and historic sites.

Minnesota has a three-eighths percent sales tax that funds clean water, natural areas, parks, arts education and history. Roughly 33% of the revenue goes to clean water, and another 33% funds outdoor heritage.

The idea of changing the sales tax distribution or raising it in Michigan is by far the most difficult proposition of the five

proposed. This would require the conservation community to unite and likely bring an outside partner in who also desires additional funding. Minnesota's fund also funds arts education and history for instance.

Currently, the school aid fund is the largest recipient of sales tax dollars in Michigan (72.9%), next is the general fund (15.7%), revenue sharing (10.1%), and the remainder to various other funds. For the DNR to receive even 1% of the state's collected sales tax would amount to \$100 million in new revenue.

It would be necessary to increase the sales tax, including changes to the constitution and allocate only the new revenue differently, to not impact school funding. How would the Michigan

public vote on this? The conservation community would be forced to run a major ballot campaign and invest at least \$10+ million in private dollars to do so.

A change like this would be a generational victory on par with Proposal G in terms of the significance of conservation in Michigan. But are we ready?

MUCC's policy is to find the department long-term, sustainable funding for the DNR and conservation in Michigan. We have legislative leadership willing to have this discussion, and the problem needs solving. Maybe the answer is one of the five above, or maybe some new creative approach nobody has heard of will flesh itself out as these discussions mature.

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