

Fishing Tournament Fees

Alternative Fee Structures

Background

With the passage of 2003 Wisconsin Act 249, the Department of Natural Resources gained authority to promulgate rules to authorize and regulate fishing tournaments. Section 29.403(3)(p), Stats. establishes specific authority to write rules specifying fees for fishing tournament permits and for training or educational programs, including rules specifying reduced fees in appropriate circumstances. Currently, the Department issues fishing tournament permits free of charge.

In addition to the authority to promulgate rules regulating tournaments, the new legislation established the bass fishing tournament pilot program. Under this pilot program the Department must issue 4 permits per year to bass tournaments allowing participants to cull as part of a study to evaluate the impacts of culling.

The cost of the evaluation is estimated at \$130,000 over two years. The breakdown is:

	<u>2005</u>	<u>2006</u>
Economic Impact Study (UW contract)	\$10,000	\$10,000
Biological Impact Study (UWSP contract)	\$45,000	\$45,000
Sociological Impacts	<u>\$10,000</u>	<u>\$10,000</u>
TOTAL	\$65,000	\$65,000

The Department is paying for the evaluation by redirecting funds from fisheries projects planned for 2005 and 2006, and from donations received from tournament fishing organizations. The Department received a donation of \$15,000 from ESPN/BASS and Mercury Marine, and a donation of \$5,000 from FLW Outdoors. The Department has matched donated funds with a permanent reallocation of \$20,000. The remaining \$90,000 for the pilot program evaluation is to be recovered from future fishing tournament permit fees.

In addition to recovering the cost of the bass fishing tournament pilot program, requiring fees for fishing tournament permits in Wisconsin would provide the fiscal support necessary to make the fishing tournament permit program self-sustaining, and cover the cost of education and training programs related to fishing tournaments.

This document provides the estimated cost of the Department's fishing tournament permit program, and provides alternative fee structures for fishing tournament permits with the goal of collecting funds sufficient to maintain the fishing tournament permit program and recover \$90,000 used to fund the bass fishing tournament permit program.

Cost of the Fishing Tournament Permit Program

The estimated annual cost of the proposed fishing tournament permit program will vary depending on the level of Department activity associated with each permitted tournament, and the type and amount of staff required. To estimate the cost, five potential functions related to administration of the fishing tournament permit program were identified (Table 1).

Table 1. Description of individual functions associated with administration of the WDNR fishing tournament permit program.

Function	Description
1. Tournament Permit Application Review & Approval	Includes review of application for completeness, review of tournament rules/format for appropriateness, review of date, time, and location for potential conflicts, addition of tournament-specific conditions, and personal contact with tournament organizer if necessary.
2. Fishing Tournament Data Collection	Includes attendance at pre-tournament meetings to provide information to anglers, collection of data from tournament-caught fish (e.g. length, weight, marking and recapture), observation of fish handling procedures.
3. Fishing Tournament Law Enforcement	Includes attendance at pre-tournament meetings, enforcing fishing tournament regulations and permit conditions, enforcing general fishing and boating regulations during the tournament, responding to complaints related to a fishing tournament, potential investigative follow-up if necessary.
4. Fishing Tournament Report Review	Includes review and summary of fishing tournament catch reports returned by organizers, providing verbal or written reminders to organizers to return reports, tracking down late reports when they occur.
5. Fishing Tournament Database	Includes entry of fishing tournament permit and reporting data into a centralized database, any follow-up with department staff or tournament organizers to clarify data and information, producing annual fishing tournament reports.

The cost of each function is estimated by assigning a specific job classification to each function, estimating the approximate time spent by the staff executing each function, and multiplying by the hourly salary and fringe rate. Travel and other expenses were added to functions where they were expected to be incurred. Table 2 contains the estimated cost of performing each of the five specific functions for one permitted fishing tournament. If all five functions identified in Table 1 were performed at a permitted fishing tournament, the estimated Department cost is approximately **\$590**. If all five functions were performed at each of 400 permitted fishing tournaments annually, the cost of the program would be nearly \$236,000 annually.

However, the Department will likely not perform all five of the identified functions for every permitted tournament due to staffing levels and other work load priorities. A more likely annual Department cost estimate is approximately **\$76,000** (Table 3). This estimate assumes two of the five functions (fishing tournament permit review and fishing tournament database) will be performed for all 400 permitted fishing tournaments. Fishing tournament report review by a senior fisheries biologist was assumed necessary for half (200) of the permitted tournament annually. The amount of law enforcement dedicated specifically to fishing tournaments was assumed to be equivalent to the law enforcement cost presented in Table 2 performed at 100 permitted tournaments. Fishing tournament data collection was assumed to be performed at 50 tournaments.

Table 2. Estimated cost of the WDNR fishing tournament permit program. Estimates are provided on a per permit basis. The annual cost estimate assumes all functions being performed at each of 400 permitted tournaments.

	<u>Cost / Permit</u>	<u>% of Cost</u>
1. Tournament Permit Application Review & Approval		
Senior Fish Biologist time (\$20.00/hr)	\$ 20.00	
Fringe Benefit (salary x 48.3%)	\$ 9.66	
	\$ 29.66	5%
2. Fishing Tournament Data Collection		
Advanced Fish Technical time (\$17.50 x 4 hours)	\$ 70.00	
Fringe Benefit (salary x 48.3%)	\$ 33.81	
Travel (50 mile x 0.32/mile)	\$ 16.00	
Meals (9.00/meal)	\$ 9.00	
	\$ 128.81	22%
3. Fishing Tournament Law Enforcement		
Warden time (\$18.00 x 11 hours)	\$ 198.00	
Fringe Benefit (salary x 48.3%)	\$ 95.63	
Travel (50 mile x 0.32/mile)	\$ 16.00	
Boat Gas (15 gallons @ \$3.00/gallon)	\$ 45.00	
Meals (9.00/meal)	\$ 9.00	
	\$ 363.63	62%
4. Fishing Tournament Report Review		
Senior Fish Biologist time (\$20.00/hr)	\$ 20.00	
Fringe Benefit (salary x 48.3%)	\$ 9.66	
	\$ 29.66	5%
5. Fishing Tournament Database (data entry and reporting)		
LTE (15.00 x 2.5)	\$37.50	6%
TOTAL COST PER TOURNAMENT	\$ 589.26	
TOTAL ANNUAL COST (assuming all functions performed at 400 events)	\$ 235,705.60	

Table 3. Estimated annual cost of the WDNR fishing tournament permit program. Individual annual estimates are provided for five separate functions. The calculations assume 400 permitted tournaments annually. Functions correspond to those in Tables 1 and 2. Annual cost is the product of estimated cost per tournament from Table 2 and the estimated number of permitted tournaments which the specified function would be performed.

	<u>Annual Cost</u>
1. Tournament Permit Application Review & Approval	
All 400 permits	\$ 11,864.00
2. Fishing Tournament Data Collection	
50 tournaments annually	\$ 6,440.50
3. Fishing Tournament Law Enforcement	
100 tournaments annually	\$ 36,363.40
4. Fishing Tournament Report Review	
200 permits	\$ 5,932.00
5. Fishing Tournament Database	
All 400 permits	\$ 15,000.00
Total Annual Cost	\$ 75,599.90
Cost per permit	\$ 189.00

In addition to these estimated costs, a one-time programming charge of \$10,000 would be incurred if permitting was conducted via the ALIS system.

Alternative Fee Structures

The fundamental issue surrounding fishing tournament permit fees is *who should pay*. It was likely that the intent of the legislature in 2003 Wisconsin Act 249 to make the permit program self-sustaining, thus considering the fishing tournament permit program as an independent additional work load. However, the fishing tournament permit program could also be considered an integrated component of the department's fisheries management program, thus utilizing some general F&W account dollars to execute it.

The department created a fishing tournament advisory committee (FTAC) to assist in promulgation of rules authorized by Act 249. The committee has been very active during the past two years, meeting eleven times since August 2004. Tournament fees have been a source of great debate within the committee. Two distinct mechanisms were discussed by the committee; those being tournament permit application fees that would be paid by the tournament organizer upon applying for a permit, and fishing tournament participant permits that would be required for individual anglers to participate in a permitted open water fishing tournament.

Assumptions of Alternatives Analyses

Data were summarized from the current Wisconsin DNR fishing tournament permit database to be utilized in calculations for fee structure alternatives. During 1999-2005, there were 1,482 permitted fishing tournaments that specified the number of boats or participants, and submitted tournament catch reports to the department. Of those, 677 were for open water fishing tournaments and 805 were ice fishing tournaments. Using the proportion of tournaments in each of three size categories separated into open water and ice fishing tournament, the average number of tournaments per year was estimated (Table 4).

The current fishing tournament permit database indicated the average number of open water fishing tournament participants annually during 1999-2005 was 8,754. However, it is likely that anglers participate in multiple tournaments annually. For the purpose of these analyses, it was assumed that 5,000 anglers participate annually in open water fishing tournaments, which is equivalent to each angler fishing an average of 1.75 tournaments annually ($5,000 * 1.75 = 8,750$).

The FTAC agreed with the principle that if a permit application fee structure was established a 'stepped' approach should be created that charges higher fees for larger events. The number of 'steps' or categories presented in Table 4 are somewhat arbitrary seeking to create the desired 'stepped' approach while maintaining a reasonable number of categories.

Other specific assumptions used in the calculations for alternatives include:

- Annual estimates assume 400 permitted fishing tournaments annually.
- In alternatives that utilizing the 'stepped' fee structure, the tournament size categories presented in Table 4 are used.
- The cost of maintaining the fishing tournament permit program at the 400 permit level is \$76,000.
- Five years to recover the \$90,000 cost of the bass fishing tournament pilot program is acceptable.
- There are 5,000 open water fishing tournament anglers in Wisconsin.
- ALIS programming costs are \$10,000 and transaction fees are \$0.75 each.

Table 4. Wisconsin fishing tournament permit information 1999-2005 by three size categories based on the number of boats for open water fishing tournaments (top panel) and number of anglers for ice fishing tournaments (bottom panel). Data summarized includes: the number of tournaments permitted over the entire time period, the percent of fishing tournaments in each category, the average number of fishing tournaments annually over the time period, and the average number of fishing tournaments expected if 400 are permitted.

<u>Open Water</u>			
Number of Boats	Number of Tournaments	Percent of Tournaments	Average # per 400
≥ 100	48	3%	13
50-100	157	11%	42
≤50	472	32%	128

<u>Ice Fishing</u>			
Number of Anglers	Number of Tournaments	Percent of Tournaments	Average # per 400
≥ 300	56	4%	15
100-300	247	17%	67
100	502	34%	135

ALERNATIVE 1: Fishing Tournament Permit Application Fees Paid By Tournament Organizer

Use fishing tournament permit application fees paid by tournament organizers at the time of application to collect funds necessary to cover the entire estimated cost of the fishing tournament permit program (\$76,000 annually; Table 3), and to recover the \$90,000 cost of the bass fishing tournament pilot program evaluation in five years (\$18,000 annually) for a total of \$94,000 per year.

The permit application fees required to raise approximately \$94,000 annually would range from \$200 to \$850 depending on the size of the fishing tournament (Table 5).

Table 5. Proposed alternative fishing tournament permit fee structure to collect approximately \$94,000 annually.

<u>Open water</u>			
Number of Boats	Average # per 400	Cost per permit	Total Dollars per year
≥ 100	13	\$850	\$11,050
50-100	42	\$415	\$17,430
≤50	128	\$200	\$25,600

<u>Ice Fishing</u>			
Number of Anglers	Average # per 400	Cost per permit	Total Dollars per year
≥ 300	15	\$850	\$12,750
100-300	67	\$415	\$27,805
≤ 100	135	NA*	

GRAND TOTAL	\$94,635
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*The current rule proposal would not require permits for ice fishing tournaments with fewer than 100 participants.

The \$10,000 ALIS programming costs would not apply to this option as permits would not be issued through ALIS. After five years, the cost of the bass fishing tournament pilot program would have

been recovered, so the \$18,000 evaluation costs would no longer apply. The additional \$18,000 beyond year 5 could either be eliminated and fees reduced, or continue to be collected to account for increased operating costs in the future.

ALTERNATIVE 2: Fishing Tournament Permit Application Fees Paid By Tournament Organizer; AND Fishing Tournament Participant Permit Fees Paid By Tournament Anglers

Utilize a combination of fishing tournament permit application fees and fishing tournament participant permit fees to collect funds necessary to cover the entire estimated cost of the fishing tournament permit program (\$76,000 annually; Table 3), to recover the \$90,000 cost of the bass fishing tournament pilot program evaluation in five years (\$18,000 annually), and to recover the ALIS programming costs (\$10,000) for a total of \$104,000 per year.

Assuming that 5,000 tournament anglers would be required to purchase a participant permit at **\$10 each**; **\$50,000** would be collected annually from tournament participant permit fees.

Fees to collect the remaining \$54,000 annually from tournament organizers paying permit application fees result in the following permit application fee structure (Table 6):

Table 6. Proposed alternative fishing tournament permit fee structure to collect approximately \$54,000 annually.

Open Water Fishing Tournaments			
Number of Boats	Average # per 400	Cost per permit	Total Dollars per year
≥ 100	13	\$650	\$ 8,450
50-100	42	\$275	\$ 11,550
≤50	128	\$50	\$ 6,400
Ice Fishing Tournaments			
Number of Anglers	Average # per 400	Cost per permit	Total Dollars per year
≥ 300	15	\$650	\$ 9,750
100-300	67	\$275	\$ 18,425
≤ 100	135	NA*	
			TOTAL \$ 54,575

After the first year, the \$10,000 ALIS programming costs would no longer apply. After five years, the cost of the bass fishing tournament pilot program would have been recovered, so the \$18,000 evaluation costs would no longer apply. The additional \$10,000 in beyond 2, and \$28,000 beyond year 5 could either be eliminated and fees reduced, or continue to be collected to account for increased operating costs in the future.

ALTERNATIVE 3: Fishing Tournament Permit Application Fees Paid By Tournament Organizer; Fishing Tournament Participant Permit Fees Paid By Tournament Anglers; AND Fishing License Fees and SFR Funds Paid By All Anglers.

Utilize a combination of fishing tournament permit application fees, fishing tournament participant permit fees, and fish and wildlife account dollars to collect funds necessary to cover the entire estimated cost of the fishing tournament permit program (\$76,000 annually; Table 3), to recover the \$90,000 cost of the bass fishing tournament pilot program evaluation in five years (\$18,000 annually), and to recover the ALIS programming costs (\$10,000) for a total of \$104,000 per year.

Fishing tournament permit application fees paid by organizers collect \$33,000 annually to pay the cost of fishing tournament permit application review and approval, fishing tournament report review, and fishing tournament database portions of the fishing tournament permit program would result in the following permit fee structure (Table 7):

Table 7. Proposed alternative fishing tournament permit fee structure to collect approximately \$33,000 annually.

Open Water Fishing Tournaments			
Number of Boats	Average # per 400	Cost per permit	Total Dollars per year
≥ 100	13	\$325	\$ 4,225
50-100	42	\$150	\$ 6,300
≤50	128	\$60	\$ 7,680
Ice Fishing Tournaments			
Number of Anglers	Average # per 400	Cost per permit	Total Dollars per year
≥ 300	15	\$325	\$ 4,875
100-300	67	\$150	\$ 10,050
≤ 100	135	NA*	
TOTAL			\$ 33,130

Assuming that 5,000 tournament anglers would be required to purchase a participant permit at **\$5 each**; **\$25,000** would be collected annually from tournament participant permit fees. Those fees could be utilized for 4 years to recover the cost of the bass fishing tournament pilot program evaluation and ALIS programming fees, and potentially be eliminated.

The remaining costs associated with the fishing tournament permit program (roughly **\$46,000** for law enforcement and data collection) would be absorbed by existing funds from fishing license fees and the federal SFR grant.

Summary and Conclusions

These alternatives were presented to and discussed with the fishing tournament advisory committee (FTAC) and fishing tournament working group (FTWG). Both groups were comfortable with the estimated cost of the fishing tournament permit program (\$76,000). The members of the FTAC that organize and participate in tournaments felt that permit application fees were too high and most agreed that participant fees would be more acceptable. Members of the FTAC that do not organize or participate in tournaments felt that license and SFR should not be used to pay any part of the permit program.

Potential justification for allocating general fisheries and law enforcement funds to tournament management includes the following:

- Anglers that fish in tournaments also purchase fishing licenses and fishing equipment, which contributes to the SFR grant.
- The Department’s law enforcement efforts are often broad when in the field. Conservation Wardens likely would perform multiple activities while on the water during a fishing tournament, such as boating safety enforcement and fishing regulation enforcement, along with fishing tournament regulation enforcement.
- Data collected by Department fisheries staff would provide information used to better understand and manage fisheries as a whole, not just fisheries for tournament anglers.

On the contrary, fishing tournament enforcement and data collection comes at a cost to other enforcement and fish management activities given a finite staff compliment.

The FTAC was generally favorable of the individual participant permits because it would spread the cost and responsibility across many individuals. The principle of individual anglers being required to purchase a fishing tournament participant permit is similar to that of the Department's stamp programs. Requiring a fishing tournament participant permit only for anglers that fish in open water tournaments is a recommendation based on extensive discussion within the FTAC. It is common for ice fishing tournaments to have formats that require registration only when a fish is entered into the tournament, therefore many anglers may fish the tournament but never officially enter, as it is not required. In addition, it was felt that ice fishing tournaments in general were less commercial in nature, and that the anglers that fish in them generally do so for the camaraderie rather than competition.

Regardless of what is ultimately proposed, fishing tournament permit fees will likely be one of the most controversial aspects of the proposed fishing tournament rules.

None of the states that border Wisconsin charge fees for fishing tournament permits. In a relatively limited search of other states, tournament permit fees appear to be relatively rare. I have found two states that charge tournament permit fees. The state of Maine charges permit fees of \$12 for a 'catch, measure & release' tournament and \$52 for a 'weigh tournament'. The state of Washington charges a \$24 permit application fee. The state of North Dakota requires payment of a 'conservation fee' equal to a minimum of 10% of the gross proceeds from the tournament participant entry fees to a maximum of \$5,000. Tournaments with no entry fee are still required to pay a \$5,000 conservation fee unless there is no cash payout. The conservation fees must be utilized for fishery conservation or public access projects approved by the game and fish director.

We recommend taking these three alternatives to public hearing.