

**REPORT OF THE
SELECT COMMITTEE**

**ASSESSING THE LONG-RANGE
FINANCIAL STATUS OF THE
GAME PROTECTION FUND
(HJR NO. 444)**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 90

**COMMONWEALTH OF VIRGINIA
RICHMOND
1994**

Committee Members

Delegate A. Victor Thomas, Chairman
Senator Madison E. Marye, Vice Chairman
Delegate J. P. Councill, Jr.
Delegate Harry J. Parrish
Senator H. Russell Potts, Jr.



Staff

Division of Legislative Services

Martin G. Farber, Senior Research Associate
Franklin D. Munyan, Staff Attorney
José A. Rosado, Senior Executive Secretary

TABLE OF CONTENTS

I.	Introduction	1
II.	Background	1
	A. Agency Revenues	2
	B. Agency Expenditures	3
III.	Committee Deliberation	4
	A. Auditor's Management Study	4
	B. 1991-1992 Financial Audit	6
	C. Agency's Response to Audit	8
	D. Agency Funding Initiative	9
	E. Study of Boat Registration and Titling: Possible Agency Savings	12
IV.	Findings and Recommendations.....	14
V.	Appendices	17
	A. House Joint Resolution No. 444 (1993)	
	B. Background on Board of Director's Funding Initiative, Department of Game and Inland Fisheries	
	C. Memo on Watercraft Use and Sales Tax	
	D. House Bill No. 99 (1994)	
	E. House Bill No. 92 (1994)	
	F. House Bill No. 96 (1994)	

**SELECT COMMITTEE ASSESSING THE LONG-RANGE FINANCIAL
STATUS OF THE GAME PROTECTION FUND
(HJR 444)**

I. INTRODUCTION

The 1993 Session of the General Assembly passed House Joint Resolution No. 444 establishing a select committee of the House Committee on Conservation and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources to assess the long-range financial status of the Game Protection Fund (see Appendix A). The five-member select committee was to continue the work of the joint subcommittee established in 1990. The joint subcommittee during its three years of deliberations had recommended, and the General Assembly had enacted, such revenue-generating measures as the sale of bonus deer permits, the creation of a general wildlife conservation vehicle license plate, retention by the Department of Game and Inland Fisheries (DGIF) of interest earned on the Game Protection Fund, and the establishment of several new licenses. The select committee was to continue to examine ways to provide financial stability to the DGIF including a review of the financial management recommendations of the Auditor of Public Accounts.

II. BACKGROUND

When the Virginia General Assembly created the DGIF in 1916, the authorizing statute stipulated that no general treasury funds could be used to pay staff salaries or support activities. Further, the money to finance all capital and operating costs was to come from a special fund known as the Game Protection Fund. Today, this fund continues to be the agency's primary source of financing. Because the agency role has expanded beyond its traditional responsibility of enforcement of game laws, and fish, game and wildlife management, moneys from the fund are being allocated for the administration of such activities as (i) the motorboat registration and watercraft titling program; (ii) the watercraft dealers' licensing program; (iii) boating safety; (iv) hunting education; (v) the Endangered Species Act; and (vi) enforcement of the boating laws, including the drunk boating statute. The fund is also a source of revenue for the construction and maintenance of boat ramps, environmental impact reviews and numerous long-range studies on topics such as the effects of acid rain on Virginia's rivers streams and sea turtle survival.

A. Agency Revenues

The Department relies primarily on the proceeds from the sale of 1.5 million hunting and fishing licenses and 28,000 permits to finance its activities. These sales typically constitute approximately 60-70 percent of the revenue received by the Department. The agency also receives supplemental funding from such sources as federal matching grants, boat registration and titling fees, proceeds from the sale of publications, contributions, and a small amount of general fund moneys for special projects, such as the fish passageway program. For FY 1993, the amount of revenue generated by the various sources is depicted in the following table:

Table 1
FY 1993 Department Revenues

<u>Sources of Revenue</u>	<u>(In Millions)</u>
Hunting and fishing licenses and permits	\$17.1
Federal grants (Pittman-Robertson, Wallop-Breaux, and Biaggi)	6.5
Boat registration and titling	1.9
Donations, publications, and commodities	<u>1.8</u>
Total Revenue	\$27.3

The revenue from these sources is deposited into one of two special funds. The Game Protection Fund (Va. Code § 29.1-101) includes not only revenue from license fees but contains three dedicated subfund categories: (i) the "nongame cash fund" consisting of revenues from tax refund checkoffs, (ii) the motorboat safety fund consisting of revenues generated from motorboat registration and watercraft titling, and (iii) federal grant funds. The second fund, the Lifetime Hunting and Fishing Endowment Fund (Va. Code § 29.1-101.1) consists of the proceeds from the sale of resident and nonresident lifetime hunting and fishing licenses, as well as any gifts, grants, or contributions which are designated for inclusion in this fund. Moneys from this fund may be expended solely for administration of the lifetime hunting and fishing program and for support of the Department's wildlife conservation programs.

B. Agency Expenditures

Because it receives only a small amount of state general funds, the Department's expenditures are limited by the revenue generated from the sources identified in Table 2. Based upon its June 1993 financial report, the agency's expenses for fiscal year 1993 totaled \$24.2 million. The breakdown by major activity is as follows:

Table 2
FY 1993 Department Expenditures

<u>Major Activity</u>	<u>(In Millions)</u>
Law enforcement	\$8.3
Inland fish management	4.3
Wildlife management	4.5
Administration	1.7
Information, education and public affairs	1.8
Capital construction and improvement	1.1
Engineering and land acquisition	1.2
Environmental services	.7
Registration and titling	<u>.6</u>
 Total Expenditures	 \$24.2

In developing its budget and projecting expenses, the Department has attempted to correlate expenses with cash flow. Due to the seasonal nature of the agency's revenue sources, there is no consistent cash flow to finance agency operations. The Department typically receives the greatest amount of revenue during the fall hunting season (October through December). In order to ensure that funds are available during July, August, and September, when revenues do not match expenditures, the agency has recently begun to incorporate into its budget an operating cash balance of approximately six million dollars. The need for such a reserve became apparent in 1991 when the Department had to borrow \$700,000 from the state treasury to cover end-of-year expenses.

III. COMMITTEE DELIBERATION

The select committee held four meetings to examine the financial status of the Game Protection Fund. During its deliberations, the committee reviewed various options for financing the Department's operations. Before recommending any specific proposals, the select committee sought assurance that there was a management structure and financial accounting system in place capable of effectively documenting the allocation of staff and financial resources. Because questions have been raised by prior management studies of the Department, the select committee requested the Auditor of Public Accounts to present the results of his recent management study and financial audit of the Department.

A. Auditor's Management Study

In 1992, the Auditor of Public Accounts, Mr. Walter Kucharski, was asked by the Joint Subcommittee Studying the Management Structure of the Department of Game and Inland Fisheries (HJR 191) to examine the agency's operation. Because many of his findings were relevant to the charge of the select committee, Mr. Kucharski was invited to discuss his findings. The management study examined five general areas:

- The statutory mandates set by the Code of Virginia and how the Department has adopted these mandates in its mission statement and strategic plan;
- Whether the Department's organizational structure provides the means to deliver required services and measure program delivery;
- Whether the internal staffing methods adequately allocate staffing between administrative and program functions for both the Department and its divisions;
- Whether the Department's budgeting and accounting processes appropriately allocate resources and track their usage; and
- Whether the Board of Game and Inland Fisheries effectively communicates its policies and procedures;

The following is a summary of the Auditor's findings and recommendations in each of these areas:

1. Statutory mandates:

- The Auditor did not find any Code of Virginia mandates that DGIF is not following or activities that do not fall within the agency's statutory mandates.
- There was overlap with the programs of other agencies, and opportunities exist to consolidate these programs.
- The Department lacks an evaluation system to measure the performance of its programs and activities. Such a system should be implemented.

2. Resource allocation:

- Hunting licenses are generating \$14 million, while the agency is expending only \$10 million on wildlife activities, a significant portion of which is allocated for law enforcement.
- Boating is not generating sufficient funds to cover the costs of the services provided. For FY 1993 boat-related revenues are estimated to be \$1.7 million, compared to \$4.3 million in direct and indirect boating expenses, resulting in a \$2.6 million shortfall. If the boating program is to be self-sufficient, the fees for boat titling and registration would have to be significantly increased.
- The Department should increase the subscription rates for the Virginia Wildlife magazine.

3. Organizational structure:

- Management should consolidate activities related to the management of fish and wildlife species and their habitat into one division.
- The Department should restructure the organization to better accomplish its mission and reflect its strategic plan.
- The General Assembly may wish to consolidate the natural heritage activities of the Departments of Game and Inland Fisheries, Agriculture, and Conservation and Recreation and place the programs in DGIF.
- The Department does not have a method of determining staffing needs which takes into account the current and future availability of

funds. As a result, the Department's maximum employment level and the number of established positions have increased without an increase in the agency's funding. Vacancies are in most instances due to a lack of funding.

- The Department should develop and implement a strategy to determine staffing allocations.

4. Budget and accounting processes:

- The Department does not properly plan and develop information systems. It does not have a long-range information systems plan that envisions the future of the agency's information systems.
- The Department should adopt systems development standards. All systems should have proper documentation before placing them into production.

5. Policies and procedures:

- The Board should examine the appropriate role and purpose of law enforcement within the agency (i.e., strictly enforcement vs. broader role in wildlife management).
- The Board should formally address its expectations of the Executive Director.

The Auditor's report made 46 recommendations. The agency concurred entirely with 39 recommendations and with some aspects of the remaining seven. The Department assured the HJR 191 Joint Subcommittee that it had begun to implement the changes suggested in the Auditor's study.

B. 1991-1992 Financial Audit

The Auditor also presented the findings of his 1992 Financial Audit of DGIF. The audit incorporated several of the findings and recommendations of the previously described management study. The audit report found that the Department's accounting and administrative functions needed to be strengthened. According to the Auditor, the Board and Department administrators must receive sound, basic and accurate information from the accounting staff who in turn must have the knowledge and ability to provide accurate and reliable information. Currently, the agency's divisions do not understand the necessity of submitting timely information and communicating problems and various activities to management. The audit

report recommended that management: (i) develop accounting policies and procedures; (ii) determine accounting's role (i.e., data collection and error correction vs. processing of transactions); (iii) provide training in purchasing, receiving, invoice processing, grant accounting, and fixed-asset accounting; (iv) evaluate staff performance after training and take appropriate action; and (v) review and reduce manual processes.

A second area of concern was grants management. The audit found that DGIF did not have an adequate system either to monitor and report federal grant financial activity, or prepare complete and accurate federal billings. The agency's grant accountant was not only responsible for supervision of all staff dealing with license and permit sales but also collected federal expense information from agency personnel for billing federal agencies. There were no standards for collecting federal expense information, and individuals who handled grant accounting and reporting duties had no training in federal grant regulations. These problems are not new, having been documented by previous audits.

Each division within the agency has responsibility for its own procurement, receiving, invoice processing and fixed-asset accounting, resulting in state and federal regulations not being consistently followed. The audit report suggested that these functions be standardized and centralized.

The Auditor also performed an in-depth analysis of DGIF's information systems and found them to be obsolete, inadequate and underfunded. The primary computer is near full capacity and the hardware is old. Many systems are outdated and require extensive maintenance. Because the installation of a new system will be expensive, the Auditor recommended that DGIF do the following:

- Develop a long-range information plan;
- Merge the system activities of the data processing and planning divisions;
- Determine if the resources exist to develop and maintain a new system;
- Establish a steering committee to set system development priorities;
- Link the existing personal computers into a network; and
- Adopt system development standards.

The Auditor's findings suggest that agency managers must exercise greater control over Department operations and that measures which provide more accountability need to be instituted if such functions as purchasing, procurement and invoice processing are to be strengthened.

C. Agency's Response to Audit

Mr. Walter Conrad, Chairman of the Board of Game and Inland Fisheries, expressed the Board's concern with the Auditor's findings. He noted that, after a period of improved audits, the agency appears to have taken a step backward. The Board recognizes the need to hire additional administrative personnel if fiscal and administrative problems are to be resolved. A subcommittee of the Board has been formed to review the agency's progress in addressing the various audit points, and the entire Board will receive monthly progress reports. The Department has also asked the Department of Information Technology (DIT) to study the agency's data processing and information system. DIT's recommendations, along with costs estimates for improving the present outdated system, were expected by December 1993.

Mr. Larry Hart, Acting Director of DGIF, responded to specific points raised by the audit, including the need to strengthen accounting and administrative functions, and improve grants accounting. The accounting and administrative functions consist of two primary activities--purchasing and payment for purchases. With regards to purchasing, Mr. Hart informed the committee that there was no evidence that items purchased improperly; however, the audit did reveal that the agency did not always follow proper procedures in making purchases. Because a majority of the agency staff is organized into regional field units, purchasing is very decentralized, with most field personnel authorized to purchase items. Problems have occurred because individuals have not been fully informed of all the purchasing procedures. To remedy this situation field personnel received training in October, in such areas as purchasing, receiving, invoicing, fixed-asset accounting, travel reimbursements, and the use of gasoline credit cards. Each employee also received a copy of the 1991-1992 audit and the agency's response. Several new purchasing procedures have already been instituted. The purchase of any item costing \$1,000 or more will require the approval of the purchasing officer and one of the deputy directors. Purchases over \$5,000 are now made through the Department of General Services' Division of Purchases and Supply.

The agency was cited by the Auditor for eight points under the category of "grant accounting." The committee was assured that the eight points are being addressed by the recently hired grants accountant. Mr. Hart sought to clarify the situation documented in the audit regarding the agency's delayed recovery of \$1.3 million in federal funds and the questioned costs of \$186,115. The federal funds are available for a two-year period on a three-to-one matching basis. In the past the agency has not drawn down all the money when it became available. He noted that this practice has changed. DGIF now is recouping eligible expenses at the same rate as the U.S. Fish and

Wildlife Service makes funds available. With respect to questioned costs, DGIF is currently reviewing these costs with the federal agencies. Agency officials do not believe that all these costs will be disallowed.

In response to the Auditor's finding that the agency's computer systems are inadequate, and after having an opportunity to review DIT's recommendations, DGIF will prepare specifications for a new computer system and order the appropriate equipment. DGIF has requested a \$450,000 appropriation, through the capital outlay process, to fund any improvements which may be recommended by DIT. If such an appropriation is not included in the state budget, Mr. Hart stated that funds will be allocated from the agency's operating budget.

Mr. Hart also provided a response to the following issues raised by the audit:

- Failure to properly document volunteer services - He acknowledged that the agency improperly billed for volunteer hunter safety hours. A new hunter safety coordinator has been trained in how to account for the volunteer hours and is responsible for accurately reporting volunteers' time.
- The need to strengthen timekeeping controls and improve the timekeeping system - The agency will institute a system which will report how much time and effort are being committed to each program. This will enable management to estimate program costs more precisely.

D. Agency Funding Initiative¹

To assist the select committee in formulating its funding recommendations, officials of DGIF were invited to testify on the agency's needs and the measures being contemplated to meet these projected needs. Department officials expressed concern that such factors as inflation, level funding of agency programs, and a decline in the number of persons purchasing licenses and permits have combined to place a financial burden on an agency at a time when there is demand for a wider variety of services. This situation is not unique to Virginia--game and wildlife agencies in other states face a similar situation. Some have been more successful than others in developing a variety of funding sources. For instance, Missouri recently enacted legislation which dedicated a small percentage of the state's sales tax (approximately .225 percent) to its wildlife agency. This was a significant

¹ For a detailed explanation of the agency's funding proposals, see Department of Game and Inland Fisheries Background on Board of Director's Funding Initiative. A summary of this document appears as Appendix B.

factor in Missouri having the highest per capita spending (\$16.97) on wildlife programs in 1990-1991 of any state in the southeast region. Virginia, on the other hand, ranked second lowest in per capita spending (\$4.02) among southeastern states, exceeding only Texas (\$3.77), and last in its ability to find funding sources outside its traditional client base. In a typical year less than eight percent of DGIF's budget comes from sources other than user fees (licenses and permits) and federal matching grants.

The goal of the Board of Game and Inland Fisheries is to fund wildlife programs at a level comparable to other states in the region. The agency's financial proposals are aimed at (i) generating funds from a broader population, (ii) bridging the gap in budget shortfalls, (iii) maintaining services, and (iv) and meeting the 10-year goals established in the Department's report 2003: A Vision for the Future. This document offers the agency's "best estimate" of what Virginia's fish, wildlife and boating agency should be doing a decade from now, given adequate funding. To fulfill its vision, the Board estimates that an additional \$35.5 million will be needed for operation and capital outlay, over and above its current \$25 million budget, for a total of \$60.5 million, to adequately carry out its mission in the year 2003. Because the agency has had to consistently divert money from its capital budget to pay for agency operations, the Board estimates that an additional one-time \$40.4 million capital improvement program will be needed over the next decade to upgrade deteriorating agency facilities. Currently, DGIF employs 373 individuals. By the year 2003, agency representatives estimate that an additional 244 persons will have to be employed, resulting in a total agency workforce of 617.

To finance this vision, beginning with the 1994-1996 biennium, the Board proposed five funding options: (i) an increase in general fund appropriations; (ii) dedication of the watercraft sales and use tax, (iii) dedication of a portion of the sales tax collected on goods sold for hunting, fishing and wildlife-associated outdoor recreation, (iv) increases in hunting and license fees, and (v) the institution of a facilities use permit.

The Department currently receives \$380,000 per year from the general fund, which has been allocated primarily for the fish passage, shad restoration, and hydrilla management programs. The agency proposes to increase the current appropriation \$1.1 million annually, for a total biennium appropriation of three million dollars. This funding option has been submitted to the Governor for his review. These general funds would be used to: (i) continue the fish passage and shad restoration efforts (\$769,000); (ii) carry out state-mandated programs for nongame and endangered species (\$633,000); (iii) establish an enforcement unit specialized in protecting threatened and endangered species and the environment (\$307,000); (iv) train and hire field staff in each region (\$424,000); (v) address the hydrilla

problems in Lake Gaston, Lake Anna and the Potomac River (\$735,000); and (vi) develop a program to control the zebra mussel (\$147,000).

A second funding option is to allocate of the watercraft sales and use tax to the Game Protection Fund. This two percent tax is collected on watercraft at the time of sale. Watercraft which are subject to this tax are those that are 15 feet or more in length with a motor of 25 or more horsepower, or a sailboat greater than 18 feet in length. Boats which do not meet this definition are taxed at the state's sales tax rate of 4.5 percent.² Currently both the two percent watercraft sales and use tax and the 4.5 percent sales tax collected on other boats are placed into the general fund. The Board proposed that the approximately \$2.3 million in tax collections be redirected, over a two-to-three year time frame, to finance the agency's boating program. Even though the current boating program is not self-sufficient, the Board recognizes the importance of the program and has actually subsidized the agency's boating activities with other funds. The dedication of the watercraft sales and use tax would enable the program to become self-sufficient. The proceeds from the tax, approximately \$4.6 million over the 1994-1996 biennium, would be used to increase boating law enforcement through the hiring of additional game wardens (\$2.5 million), enhancing boating safety (\$400,000), and increasing boating access (two million dollars).

The Board proposed as a third funding option, that the agency receive a portion of the tax collected on the sale of recreation equipment. Based on figures reported in a 1991 national survey of fishing, hunting, and wildlife-associated recreation conducted by the U.S. Fish and Wildlife Service, estimated taxable sales in Virginia for all the goods purchased for wildlife-related outdoor recreation totaled \$450.5 million in 1991. The Board recommended that \$10 million per biennium be dedicated to the agency from the unobligated portion of the tax proceeds which currently goes into the general fund. The money would be used to fund nongame fish and wildlife programs (\$350,000), establish two urban wildlife interpretive centers (\$3.3 million), promote wildlife-related outdoor tourism (\$400,000), expand fish and wildlife information systems (\$400,000), and acquire and protect wildlife areas (six million dollars).

In 1991, slightly more than one million hunting and fishing licenses were sold. As a possible fourth source of revenue, the agency recommended an increase in the primary revenue-generating licenses: a three dollar increase in the fee for the basic hunting and fishing licenses and a \$5.50 increase in the trout license. This would generate, taking into account some buyer resistance to the increased fees, an additional \$2.7 million annually. Officials proposed that these moneys be used during the 1994-1996 biennium

² For background memo on this tax, see Appendix C.

to support such traditional activities as facilities improvement (\$3.4 million), the hiring of additional full-time employees to staff field operation in the fish, wildlife and enforcement programs (\$1.2 million), and operation of the trout hatchery system (\$947,000).

A proposed fifth funding source was the institution of an annual six dollar facilities use permit. This permit would be required in order to enter all wildlife management areas and other facilities operated by DGIF. The fee would be paid by those individuals not holding a valid hunting or fishing license, or not using a registered vessel. Approximately \$620,000 per year or \$1.24 million per biennium could be generated and used to develop boat access ramps (\$960,000) and enhance wildlife-related outdoor recreation (\$240,000).

E. Study of Boat Registration and Titling: Possible Agency Savings

During the 1993 Session, the General Assembly requested the Department of Motor Vehicles (DMV) and DGIF to study whether DMV, rather than DGIF, should administer the boat registration and titling program (HJR 443). It had been documented by the Auditor of Public Accounts, in his 1992 report entitled Department of Game and Inland Fisheries Management Study, that DGIF could realize a savings in administrative costs if primary responsibility for this program was transferred to DMV. The select committee, believing that such an action could result in potential savings in staff time and financial resources, received a status report on the joint agency study. Specifically, the study sought to determine the costs and benefits of implementing each of four options: (i) DMV would process all boat registration and titles, (ii) DMV and DGIF would both process boat registrations and titles, (iii) DMV would process watercraft dealer licenses and oversee enforcement of dealer rules and regulations, and (iv) DGIF would retain the administration of boat registration and titling and watercraft dealer licenses.

With respect to the first option of having DMV process boat registration and titles, the study found that the initial start-up costs for DMV to administer the program would be approximately \$2.9 million, with annual operating costs of \$500,000. Most of these costs would be in computer hardware, programming, and staffing. This was characterized as the "Cadillac" option, and would take 18 months to implement. While it would be the most costly, it would provide the greatest level of service, allowing sportsmen to go to any of the 74 DMV offices to register their boats. Currently, it costs DGIF \$400,000 per year to administer the program. The difference of \$100,000 in annual operating costs between DMV and DGIF is

due to the need for additional staff in those DMV branch offices serving areas of the State with high concentrations of registered boats.

The second would have both DMV and DGIF process boat registrations and titles. This option assumes that DGIF would continue to administer the boat registration program, with DMV also providing services through each of its branch offices. Initial implementation costs for DMV were estimated to be \$261,000, with a six- to twelve-month start-up period. DMV's costs would be in addition to DGIF's current \$412,000 annual operating costs. The benefit of this approach is that registration and titling services would be available at all DMV offices as well as DGIF's central office in Richmond. The disadvantage is that funds currently generated from boat titling and registration transactions would be transferred to DMV in order to help meet their administrative costs, thereby reducing the funds currently available for DGIF boating programs.

Under the third option, DMV would process only the watercraft dealer licenses and DGIF would retain the remainder of its current functions, including titling and registration. The initial costs to DMV for taking over this function would be about \$131,000; however, the annual costs, regardless of whether DMV or DGIF operated the dealer licensing program, would be approximately \$70,000. Because this option only involves shifting responsibility of the watercraft dealer's licensing program from one agency to another, the benefits or detriments to the dealers would not be significant.

The fourth option would be to continue the current policy by having DGIF retain the administration of boat registration and titling, and watercraft dealer licensing. This means that the bulk of the registrations (90 percent) would be done by mail, with only the central office in Richmond providing walk-in service, as is the current practice. Although customer convenience would not be enhanced, no additional costs would be incurred by having to transfer the program to another agency.

Having received the report on the DMV/DGIF study, the committee awaits the agencies' final recommendations. In determining the most cost-effective and efficient way to administer the registration and titling program, the committee encourages those conducting the study to particularly examine the administrative burden placed on DGIF and the extent to which both financial and staff resources have had to be diverted from the more traditional wildlife management functions.

IV. FINDINGS AND RECOMMENDATIONS

Before recommending various options for financing agency activities, the select committee believed it was essential that the agency be able to demonstrate a greater level of accountability in its handling of public funds. While the select committee acknowledges that DGIF and its Board still have work to do in putting in place a more effective management system, the committee is impressed by their response to the Auditor's recommendations and their commitment to ensuring that funds received by the agency will be managed and allocated in a wise and effective manner. Therefore, as an initial step in both restoring financial stability to the Game Protection Fund and enabling DGIF to meet its vision for the year 2003, the select committee recommends the following three financing measures:

Recommendation #1: That the state resident license fee for fishing for trout in waters stocked by DGIF be increased from the current \$6.50 annual fee to \$12 (HB 99, see Appendix D). The cost of a trout fishing license was last raised in 1985. Since then three of the Department's five cold-water aquaculture facilities have continued to deteriorate and are in need of significant repair if trout production is to remain at current levels. These facilities support "put and take" fishing for approximately 130,000 anglers per year, in addition to three free fishing areas. There has been a steady increase in the demand for trout fishing opportunities over the last decade and the agency projects an increase in the popularity of trout fishing. The additional \$532,950 per year which is estimated to be generated by the fee increase will assist the Department in meeting the operational costs of the trout production system during the 1994-1996 biennium. Without increased funding, there is the very real prospect that trout production will be reduced.

Recommendation #2: That, beginning in FY 1994, an increasing proportion of the proceeds of the watercraft sales and use tax be transferred from the general fund to a special dedicated fund known as the motorboat and water safety fund of the Game Protection Fund (HB 92, see Appendix E). Such an approach would mean that tax proceeds would be transferred to DGIF in increasing yearly increments of 25 percent until 100 percent of the tax is dedicated to the motorboat and safety fund in fiscal year 1997 and thereafter. In recommending that these moneys be deposited into this specific fund, the committee has recognized the fact that the agency has not been able to allocate

sufficient resources to meet the public safety, access, and education needs of the boating program. With the infusion of these additional funds, the program will take a significant step toward becoming self-sufficient and provide a level of water-related law enforcement which will enhance boating safety. An increase in the total available enforcement hours is crucial in light of the significant increase in the number of boats utilizing available waters for recreation. In addition, as more persons purchase boats, the growth in registered boats alone being 10 percent per year, there is a need for more boating access sites. The Department provides over 200 access sites, but agency projections indicate that the demand for additional access sites will justify the development of 100 new sites by the year 2003.

Recommendation #3: That the General Assembly authorize the establishment of an annual facilities use permit which would be required for entry to lands or facilities owned, contracted or leased by DGIF and open to the public (HB 96, see Appendix F). The cost of the permit would be six dollars, nonrefundable. Individuals under 16 years of age; individuals possessing a valid, trapping or freshwater fishing license; and owners and occupants of registered boats would be exempt from having to obtain this permit. For the first time, individuals who are not traditional constituents of the agency would be asked to contribute to the cost of maintenance of the Department's lands and facilities. While the numbers are far from precise, there are, according to agency estimates, approximately 170,000 nonpowered boats and between 80,000 - 120,000 nonhunting, nonfishing enthusiasts who currently use agency facilities and lands. Based on these figures, such a permit could generate approximately \$620,000 annually which would be used for construction and maintenance of public access sites, roads and maintenance in wildlife management areas, and the upgrading of parking and restroom accommodations.

The three pieces of legislation recommended by the select committee were considered by the 1994 General Assembly. The bill which increased the trout license fee (HB 99) was passed by the General Assembly and signed into law by the Governor (Chapter 407 of the Acts of Assembly of 1994). The diversion of the revenue generated from the watercraft sales and use tax to the Department of Game and Inland Fisheries (HB 92) was amended by the General Assembly and signed into law by the Governor (Chapter 322 of the Acts of Assembly of 1994). The amendments required that, beginning in fiscal year 1996 and continuing through 1998, 50 percent of the proceeds

from the tax will be allocated to the Department of Game and Inland Fisheries. In 1999, the dedicated amount will increase to 75 percent, with the entire tax being credited to the agency in fiscal year 2000. The third bill, the facilities use permit (HB 96), after being amended, was referred to the Appropriations Committee where no action was taken on the measure.

Respectfully submitted,

Delegate A. Victor Thomas, Chairman

Senator Madison E. Marye, Vice Chairman

Delegate J. P. Councill, Jr.

Delegate Harry J. Parrish

Senator H. Russell Potts, Jr.

APPENDICES

Appendix A
1993 SESSION

LD8585468

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54

HOUSE JOINT RESOLUTION NO. 444
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Rules
on February 5, 1993)
(Patron Prior to Substitute—Delegate Thomas)

Establishing a Select Committee of the House Committee on Conservation and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources to continue the study of assessing the long-range financial status of the Game Protection Fund.

WHEREAS, the 1990 Session of the General Assembly passed House Joint Resolution No. 76 establishing a joint subcommittee to assess the long-range financial status of the Game Protection Fund; and

WHEREAS, during its three years of deliberations, the joint subcommittee has recommended and the General Assembly has enacted such revenue-generating measures as the sale of bonus deer permits, the creation of a special wildlife conservation vehicle license plate, retention by the Department of interest earned on the Game Protection Fund, and establishment of several new licenses; and

WHEREAS, the Auditor of Public Accounts, working in conjunction with another legislative subcommittee which is studying the management structure of the Department of Game and Inland Fisheries, has recently released a report which has among its 46 recommendations several proposals that will generate revenue for the Department; and

WHEREAS, the joint subcommittee will need additional time to review these revenue-enhancing measures; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a Select Committee of the House Committee on Conservation and Natural Resources and the Senate Committee on Agriculture be established to continue the study of assessing the long-range financial status of the Game Protection Fund. The Select Committee shall focus on ways to provide financial stability to the Department of Game and Inland Fisheries, including a review of the financing recommendations of the Auditor of Public Accounts. The members of the Select Committee shall be appointed by the Speaker and the Senate Committee on Privileges and Elections upon the recommendations of the chairmen of the respective committees. The chairmen of the House Committee on Conservation and Natural Resources and the Senate Committee on Agriculture, Conservation and Natural Resources are requested to recommend, to the extent possible, members of the respective standing committees who served on the joint subcommittee pursuant to HJR 76 (1990).

The Select Committee shall complete its work in time to submit its findings and recommendations to the 1994 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Official Use By Clerks	
Agreed to By	
The House of Delegates	Agreed to By The Senate
without amendment <input type="checkbox"/>	without amendment <input type="checkbox"/>
with amendment <input type="checkbox"/>	with amendment <input type="checkbox"/>
substitute <input type="checkbox"/>	substitute <input type="checkbox"/>
substitute w/amdt <input type="checkbox"/>	substitute w/amdt <input type="checkbox"/>
Date: _____	Date: _____
Clerk of the House of Delegates	Clerk of the Senate

**DEPARTMENT OF
GAME AND INLAND FISHERIES**



BACKGROUND ON BOARD OF DIRECTOR'S FUNDING INITIATIVE

**Funding Options Proposed by the Board of Directors for the
Virginia Department of Game and Inland Fisheries**

General Funds

Anadromous Fish Passage and Restoration Program	\$ 769,236
Nongame and Endangered Wildlife	632,734
Environmental Services Field Staff	424,152
Law Enforcement Environmental Task Force	306,640
Hydrilla Management Program	734,621
Zebra Mussel Management Program	147,132
Total (94-96 biennium):	<u>\$3,014,515</u>
Currently receiving from general fund (per year)	\$380,000
Additional revenue requested (per year)	1,127,257
Per Capita increase in funding (per year):	\$.1822
Total Per Capita expenditure (per year):	<u>\$.2436</u>
<small>Based on 1990 census of 6,187,000 citizens</small>	

Watercraft Sales and Use Tax

Boating Law Enforcement	\$2,548,000
Boating Safety Program	400,000
Boating Access	2,000,000
Total (94-96 biennium):	<u>\$4,648,000</u>
Per Capita Expenditure (per year):	\$.4000
<small>Based on 1990 census of 6,187,000 citizens</small>	

Percent of Sales Tax

Nongame Fish and Wildlife Programs	\$350,000
Urban Wildlife Interpretive Centers	3,300,000
Statewide Tourism Program	400,000
Fish and Wildlife Information System	400,000
Land Acquisition	6,000,000

Total (94-96 biennium): \$10,450,000

Estimated total revenue: (per biennium) \$20,415,128
(per year) \$10,207,564

Per capita expenditure of requested (per year): \$.8445

Per capita expenditure of total (per year): \$1.65

Based on 1990 census of 6,187,000 citizens

Specific License Increases

Facilities Improvement/Maintenance	\$3,417,509
Agency Staffing	1,185,895
Trout Fishing Program	946,596

Total (94-96 biennium): \$5,550,000

Per capita expenditure (per year): \$.4485

Based on 1990 census of 6,187,000 citizens

Facilities Use Permit

Public Boating Access	\$960,000
Wildlife-Related Outdoor Recreation	280,000

Total (94-96 biennium): \$1,240,000

Per capita expenditure for requested amount (per year): \$.1002

Based on 1990 census of 6,187,000 citizens

DEPARTMENT OF GAME AND INLAND FISHERIES
WATERCRAFT SALES AND USE TAX
CONCEPT SUMMARY

The watercraft sales and use tax is a 2% tax which is collected on watercraft at the time the vessel is sold. Watercraft are specifically defined as a vessel which is 15 ft. or more in length with a motor of 25 or more horsepower or a sailboat greater than 18 ft. in length. Boats which do not meet this definition are taxed at the normal sales tax rate of 4.5%. Currently, the 2% watercraft sales and use tax and the 4.5% sales tax collected on other boat sales goes to the state's general fund.

Watercraft also must be titled. The Department is responsible for titling watercraft. At the time of titling or title transfer, the watercraft sales and use tax is collected and a titling fee of \$7.00 is collected. The sales and use tax is transferred to the general tax fund of the state. The titling fee is retained by the Department in the boating fund. These fees are currently used in the administration of the boating program.

Board of Director's Statement on Watercraft Sales and Use Tax

The Board recognizes and is deeply concerned about its inability to allocate sufficient resources to adequately address the public safety, access, and education needs associated with its boating program. The Board is keenly aware of the importance of this program, and with concern, has actually subsidized the Department's boating activities with other funds. However, it feels that the boating program should be self-supporting and have adequate resources to meet the needs for facilities and services. Boaters are already paying taxes that should be providing the financial resources to meet all of those needs.

While the Board is cognizant of the current budget situation, it feels that steps should be taken to redirect these funds to the boating program. The Board respectfully requests that the Select Committee Studying the Game Protection fund (HJR444) evaluate the transfer of the Watercraft Sales and Use Tax to the Department over a time frame that is appropriate for the current budget situation. With anticipated growth in the Commonwealth's economy, the Watercraft Sales and Use Tax should be redirected to the Department of Game and Inland Fisheries as soon as possible (e.g. 2-3 years).

Board position adopted September 17, 1993 by unanimous vote.

DEPARTMENT OF GAME AND INLAND FISHERIES
PERCENT OF SALES TAX
CONCEPT SUMMARY

Sixty-three (63) percent of the population in Virginia, 16 years of age or older, indicate that they participate in some form of wildlife-related outdoor recreation. These citizens utilize various supplies and tools in pursuing their recreation. This includes firearms, ammunition, fishing poles, lures and bait, boats and boating accessories, binoculars, field guides, bird seed, and many others. The 1991 National Survey of Fishing, Hunting, and Wildlife Associated Recreation conducted for the U.S. Fish and Wildlife Service collected data on a long list of items participants had purchased specifically for pursuing their recreational interest. In addition, survey participants indicated the total dollar value of those goods purchased in the previous year of activity.

Based on the values reported in the survey results, total taxable sales in Virginia for all the goods purchased to pursue wildlife-related outdoor recreation amounted to \$450,588,000 in 1991. This amounts to 1.09% of the total taxable sales in Virginia of \$41,150,346,280 in the same year. This amount does not include any cost associated with the actual travel required to enjoy the recreation. Expenses for goods and services relating to travel, lodging or food are additional expenditures of the recreationist. The calculations also do not include the value of goods sold for recreational boating which is not associated with wildlife-related recreation. Citizens purchasing pleasure boats for boating-only activities would generate additional sales which should be included in the overall percentage. Current data is not available to accurately reflect the increase in sales from this type of activity.

Retail sales in Virginia are taxed at the rate of 4.5%. Portions of this 4.5% tax are ear-marked for various programs. Localities receive 1%, state aid to education for localities receives 1%, and highways receive 0.5% of the tax. This leaves a net of 2% to the general fund which is unobligated. The calculations of tax revenue generated by the sale of goods for hunting, fishing and wildlife associated outdoor recreation are based on the 2% net to the general fund and not the 4.5% gross receipts. These calculations are reflected in the following table:

Virginia Sales Tax Gross Receipts	4.5%
Distributed To:	
Localities	1.0%
State Aid -Education	1.0%
Highways	<u>0.5%</u>
Net Virginia Sales Tax (unobligated)	<u>2.0%</u>

**DEPARTMENT OF GAME AND INLAND FISHERIES
LICENSE FEE INCREASE PROPOSAL
CONCEPT SUMMARY**

As one of the options for increasing the revenue available to the Department of Game and Inland Fisheries operations, the Board of Directors is exploring an increase in hunting and fishing license fees. This would require a modification to 29.1-303, 305, 306, and 310. The Department requested a fee increase to \$15.00 per license in 1987. This level of increase was determined to be needed in order to address increased costs which had occurred since the last increase and to allow for some needed program expansion. At that time, the Department was given an increase to \$12.00. This was calculated to cover the cost of rising inflation that occurred since the previous increase.

Expenses for operating the basic programs for the Department have continued to increase. The Department has also been expected or required to take on additional programs for which additional revenues have not been provided. In the long term, it is clear that license fees will no longer support the entire operation of the agency. However, in the short term, an increase in the license fees is in order to cover increased expenses in the basic program areas of the Department. The Board is recommending an increase in the primary revenue-generating licenses. This increase is merely a 'catch-up' to cover the increased program expenses which have occurred since 1987.

The Board of Directors is recommending an increase in the state-wide resident hunting and fishing licenses, the Bear-Deer-Turkey license, Blackpowder Deer license and Archery license from the current net \$12.00 to net \$15.00. It is also recommending an increase in the trout fishing license from the current net \$6.50 to net \$12.00. The trout license has not been increased since 1985. Given these increases and an estimated 5% buyer resistance to the price increase, it is estimated that approximately \$2,700,000 of additional revenue will be raised over the license revenue of 1991-1992.

Activity	# of Units 91-92	Per Unit Price 91-92	Total Revenue 91-92	Projected Revenue Amount	Per unit Price Proposed
Res. hunting	268895	\$12.00	\$3,226,740	\$3,828,365	\$15.00
DBT	255826	\$12.00	\$3,069,912	\$3,642,297	\$15.00
Archery	56898	\$12.00	\$682,776	\$810,079	\$15.00
Blk. Pdr	36888	\$12.00	\$442,656	\$525,189	\$15.00
Res. Fishing	401842	\$12.00	\$4,822,104	\$5,721,185	\$15.00
Trout Fish- ing	102219	\$6.50	\$664,424	\$1,160,679	\$12.00

DEPARTMENT OF GAME AND INLAND FISHERIES
BOARD DISCRETIONARY ADJUSTMENT TO FEES
CONCEPT SUMMARY

The current revenues for the Department are fixed by the legislature through the establishment of license and registration fees. These fees are periodically adjusted through the legislative process. The interval of adjustment is usually several years. In recent years the adjustment process has left the Department in a mode of cyclical increases and decreases in programs. These cycles are the result of expenses in per unit-of-service-delivered increasing outside of the influence or control of the Department. The increases in per unit-of-service-delivered have come from court cases which limit the number of hours personnel have traditionally worked, increases in personnel salaries and benefits and the cost of supplies and materials due to general inflation. These outside forces are a continuous and increasing drain on the revenues available to the Department. The need to periodically adjust fee structures through the legislative process has resulted in confusion and frustration of the public and legislators.

The Board of Directors is suggesting the exploration of authority to periodically adjust the fee structure based on increasing costs of programs which are outside of the influence of the Department. To start the exploration of this concept the Board is proposing the following:

- ▶ On an annual basis, the Department would determine the uncontrollable increases in non-personnel and personnel costs which result in increasing cost per unit-of-service (legislative cost-of-living and benefits increases and inflation on non-personnel expenses).
- ▶ The Board would propose license fee adjustments necessary and proper for covering only the increase in expenses.
- ▶ The license fee increases would be presented in the form of regulations through the normal process outlined in 29.1 of the *Code of Virginia*.
- ▶ The legislature would set the maximum limit for the increases that could accumulate within a period of time such as \$10.00 in 5 years and the maximum increment of increase in any one time frame. The process could be initiated by the Board in a time frame which allows maximum input from the public, administration and legislators prior to implementation.

Utilizing this process, the Board could make reasonable adjustments to the fee structure which would allow the Department to maintain program service levels.

DEPARTMENT OF GAME AND INLAND FISHERIES
FACILITIES USE PERMIT
CONCEPT SUMMARY

The Board of Directors is proposing the exploration of developing a 'Facilities Use Permit' This permit would increase the revenue available to the Department and provide an opportunity for the non-hunting, non-fishing or non-boating citizens who use Department facilities to contribute to the cost of maintenance. The working concepts of the permit are:

- ▶ The permit would cost \$6.00 for one year.
- ▶ The permit would be required as an entrance fee to all wildlife management areas (WMA) and other facilities owned and operated by the Department for those individuals not currently holding a valid hunting or fishing license or using a registered vessel.
- ▶ The permit would be required of any person 16 years of age or older.
- ▶ The permit would be distributed through the normal license agent channels.
- ▶ On WMA's, a day use permit would be available using an 'honor system'. A visitor would deposit \$2.00 in an appropriate receptacle and keep a tear-off receipt for proof of payment.
- ▶ Non-registered vessels using Department access facilities or the public waters of Virginia would be required to display a sticker indicating that the owner had purchased the use permit.

Data on the potential number of permits that would be sold are not available. It is estimated that there are 170,000 non-registered vessels in the state. Educated guesses place the non-hunting, non-fishing visitation on WMA's in the range of 80,000 to 120,000 visitors. Taking a conservative estimate of selling 80,000 permits for non-registered vessels and 20,000 full price for use on WMA's and 10,000 day-use permits, approximately \$620,000 in revenues would be generated.

Appendix C

COMMONWEALTH OF VIRGINIA



E. M. MILLER, JR.
DIRECTOR

GENERAL ASSEMBLY BUILDING
910 CAPITOL STREET, 2ND FLOOR
RICHMOND, VIRGINIA 23219

DIVISION OF LEGISLATIVE SERVICES

(804) 786-3591
FAX (804) 371-0169

TO: Members of Select Committee (HJR 444)
FROM: Martin G. Farber
DATE: September 7, 1993
RE: Watercraft Sales and Use Tax

By way of background and to assist you in preparing for the September 7, 1994 meeting of the subcommittee, I have looked into the evolution of the watercraft sales and use tax. In 1981, (effective January 1, 1982), the General Assembly removed watercraft from the 4% retail sales and use tax by enacting the Virginia Watercraft Sales and Use Tax Act. This act imposes a 2% sales tax upon the retail sale of watercraft and exempted such sales from the 4% retail sales and use tax. A complementary 2% watercraft use tax was also imposed on gross receipts from the lease, charter, or other use of any watercraft by a registered dealer.

The watercraft sales tax has undergone several changes, specifically, with respect to the cap placed on the tax. In 1987, the General Assembly placed a \$1,000 ceiling on the tax which was applicable to any single transaction. This provision had a sunset of July 1, 1992. However, before the sunset was to expire, the 1990 Session enacted legislation that increased the cap to \$2,000 and removed the sunset provision. Unlike the aircraft sales, which is a dedicated tax used for administration of the aviation laws and the promotion and development of aviation and airports, the watercraft sales and use taxes are deposited to the credit of the general fund. Since its inception, the watercraft tax has generated more revenues for the Commonwealth than the aircraft sales tax. Listed below are the watercraft tax revenues for the years 1983 through 1992:

Watercraft Sales and Use Tax, Fiscal Years 1983-1992

<u>FISCAL YEAR</u> <u>ENDING JUNE 30</u>	<u>AMOUNT*</u>
1983.....	\$1,380,254
1984.....	\$1,719,211
1985.....	\$2,300,513
1986.....	\$3,005,500
1987.....	\$4,023,583
1988.....	\$3,631,379
1989.....	\$3,457,837
1990.....	\$2,908,999
1991.....	\$2,293,376
1992.....	\$2,179,610

*Includes penalties and interest.

Appendix D
1994 SESSION

LD4917468

HOUSE BILL NO. 99

Offered January 12, 1994

A BILL to amend and reenact § 29.1-310 of the Code of Virginia, relating to the fee for a resident trout fishing license.

Patrons—Councill, Parrish and Thomas

Referred to Committee on Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That § 29.1-310 of the Code of Virginia is amended and reenacted as follows:

§ 29.1-310. Fees to fish.

A. The license fees to fish, which licenses shall not permit fishing for trout in waters stocked by the Department, shall be as follows:

1. County or city resident license to fish, in all inland waters of the county or city of residence only, five dollars.

2. State resident license to fish in all inland waters of the Commonwealth, twelve dollars.

3. State nonresident license to fish in all inland waters of the Commonwealth, thirty dollars.

B. The additional license fees for a trout license required to fish in designated waters stocked with trout by the Department shall be as follows:

1. State resident license, ~~six dollars and fifty cents~~ *twelve dollars*.

2. State nonresident license, thirty dollars.

2. That the provisions of this act shall become effective on January 1, 1995.

Official Use By Clerks

Passed By

The House of Delegates

without amendment

with amendment

substitute

substitute w/amdt

Passed By The Senate

without amendment

with amendment

substitute

substitute w/amdt

Date: _____

Date: _____

Clerk of the House of Delegates

Clerk of the Senate

Appendix E
1994 SESSION

LD4919468

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53

HOUSE BILL NO. 92

Offered January 12, 1994

A *BILL to amend and reenact § 58.1-1410 of the Code of Virginia, relating to the watercraft sales and use tax.*

Patrons—Thomas, Bloxom, Councill, Jackson and Parrish

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-1410 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-1410. Disposition of funds.

All funds Funds collected hereunder by the Tax Commissioner shall be paid forthwith into the general fund motorboat and water safety fund of the game protection fund of the state treasury: in the following manner:

For Fiscal Year	Percentage of Collections
1994	25%
1995	50%
1996	75%
1997 and thereafter	100%

No later than thirty days after the end of the fiscal year, the Comptroller shall transfer to the motorboat and water safety fund of the game protection fund the appropriate percentage of collections to be dedicated to such fund. Adjustments may be necessary subject to the audit report of the Auditor of Public Accounts.

Official Use By Clerks

Passed By
The House of Delegates
without amendment
with amendment
substitute
substitute w/amdt

Passed By The Senate
without amendment
with amendment
substitute
substitute w/amdt

Date: _____

Date: _____

Clerk of the House of Delegates

Clerk of the Senate

Appendix F
1994 SESSION

LD4923468

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54

HOUSE BILL NO. 96
Offered January 12, 1994

A BILL to amend and reenact § 29.1-413 of the Code of Virginia and to amend the Code of Virginia by adding in Article 3 of Chapter 4 of Title 29.1 a section numbered 29.1-423, relating to facilities use permits.

Patrons—Parrish, Councill and Thomas

Referred to Committee on Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That § 29.1-413 of the Code of Virginia is amended and reenacted and the Code of Virginia is amended by adding in Article 3 of Chapter 4 of Title 29.1 a section numbered 29.1-423 as follows:

§ 29.1-413. Issuance discretionary, duration.

The issuance of all of the permits provided by this article shall be within the discretion of the Board, under regulations it may prescribe, and contingent on reports as it may require. Each permit issued under this article shall be effective for the fiscal year, July 1 to June 30, inclusive, except permits issued under § 29.1-423, which shall be effective for the calendar year, January 1 to December 31.

§ 29.1-423. Facilities use permit; exemptions.

A. As used in this section, unless the context requires a different meaning:

"Designated lands or facilities" means any property identified by signs or other methods indicating that a valid facilities use permit is required for use of the property.

"Facilities" includes wildlife management areas, refuges, boat ramps, fishing lakes, or other designated facilities open to public use for recreational or commercial purposes.

"Use" means being on or within the boundary of any designated land, building or developed site owned, controlled or leased by the Department and open to public use.

B. Any person sixteen years of age or older shall not use designated Department-owned, -controlled, or -leased lands or facilities without first obtaining a facilities use permit. The cost of an annual permit shall be six dollars, which is nonrefundable. The permit shall not be transferable.

C. The following are exempt from having to obtain a facilities use permit:

1. Individuals under 16 years of age;

2. Individuals possessing a valid hunting, trapping or freshwater fishing license (including lifetime licenses); and

3. Owners and occupants of registered boats.

2. That the provisions of this act shall become effective on January 1, 1995.

Official Use By Clerks	
Passed By	Passed By The Senate
The House of Delegates	without amendment <input type="checkbox"/>
without amendment <input type="checkbox"/>	with amendment <input type="checkbox"/>
with amendment <input type="checkbox"/>	substitute <input type="checkbox"/>
substitute <input type="checkbox"/>	substitute w/amdt <input type="checkbox"/>
substitute w/amdt <input type="checkbox"/>	
Date: _____	Date: _____
Clerk of the House of Delegates	Clerk of the Senate