

Minutes of the Teleconference Meeting of the
Arizona Game and Fish Commission
Thursday, February 3, 2005 – 8:30 a.m.
Arizona Game and Fish Department
2221 W. Greenway Rd.
Phoenix, Arizona

PRESENT: (Commission)

(Director's Staff)

Chairman W. Hays Gilstrap
Commissioner Joe Melton
Commissioner Michael M. Golightly
Commissioner William H. McLean
Commissioner Sue Chilton

Director Duane L. Shroufe
Deputy Director Steve K. Ferrell
Assistant Attorney General Jim Odenkirk
Assistant Attorney General Shelley Cutts

Chairman Gilstrap called the meeting to order at 8:30 a.m. Director Shroufe took roll call and all Commissioners were present. The meeting followed an agenda dated February 1, 2005.

1. Senate Bill 1365: Game and Fish; Fees.

Presenter: Anthony Guiles, Legislative Liaison

The Department has been in discussion with legislators at the Capitol regarding the license fee bill, Senate Bill 1365. A memo from Mr. Guiles was sent to the Commission in regards to three areas of concern. First, was the implementation plan similar to what we had in the previous license fee bill, second was the premium hunt structure, and third was the disparity between taxidermy fees and guide license fees.

Chairman Gilstrap stated that the two sponsors of this bill have indicated that if some changes were not made to the bill it would probably be dead. That is what constituted this meeting, in addition to another concerned party, which is the Yuma Valley Rod and Gun Club.

Commissioner Melton commented on a YVRGC meeting that he attended. A lot was discussed, but the issues narrowed down to two things and those were regarding the fee structures. The YVRGC want to see the resident deer tag amount reduced from \$150 to \$50 and the resident elk tag amount reduced from \$350 to \$150.

Chairman Gilstrap asked Commissioner Melton if, in his view, the YVRGC would not support this bill without the requested changes, and Commissioner Melton felt that this was the case.

Commissioner Melton elaborated on the YVRGC meeting discussion. There was a lot of concern over the premium hunts, but there have been premium hunts for years. All of the deer north of the Kaibab are managed for premium hunts -smaller permits for larger deer- and they understand that, but they wanted to stick by there guns and they have the votes to do it. Also, the President of YVRGC commented that the members were overwhelmed by the figures, and that the board became too involved in the process and they have no idea about the money issues.

Commissioner McLean asked for comment or input on the implementation schedule and taxidermy versus guide fees.

Director Shroufe stated that the Department was ready to give a recommendation on the implementation schedule, but with Commissioner Melton's comments, it was no longer the concern until we have a better handle on the revenue projections.

Commissioner Melton stated that he couldn't give YVRGC a definite percentage of what the raise will be and as we go through the rule process, it will likely be two years before any of this funding gets installed anyway.

Director Shroufe confirmed Commissioner Melton's statement and added that in regards to taxidermy and guide fees, the recommendation is for caps of \$250 for the taxidermist and the guide fee left at \$500.

Commissioner Golightly commented on YVRGC issues with deer and elk tag increases and stated that deer and elk make up 70% of the Department's total income. He does not think that there would be statewide support for that deep of a cut into the Department's recommendation.

Commissioner Chilton suggested splitting the difference and accommodating the concerns of residents who may be retired and whose income will not increase as the cost of tags increase.

Chairman Gilstrap stated that the Commission has a responsibility to the Department and part of the ingredient is to get Department employee salaries into a more appropriate range. From a policy standpoint, the need of a small, but important group of people, cannot be responded to with the potential of sacrificing programs and Department employees. We should be sensitive to their interest and be responsive, but our total responsibility is to the State and it's wildlife.

Commissioners Chilton and Melton agreed that some middle ground should be found and to not concede everything that we have on the table, but to concede something to show good faith.

Commissioner Golightly questioned what it would take to fund the top three priorities and then suggested that we go from there and try to amortize it out.

Steve Ferrell provided the Commission with some figures. Depending on whether or not the 2003 license sale data is used, or the Funds and Planning section projections of what those sales would be with the cap removed, it would be between \$300,000 and \$700,000 difference in the premium versus no premium at all.

Commissioner Chilton commented that we are making up some funds by requiring a license to be purchased before entering the draw. Further, Commissioner Chilton is more in favor of raising license fees and not raising the permit fees to the total indicated.

Mr. Guiles pointed out for clarification that we currently have a cap in statute right now and the Commission has the flexibility to set junior hunts and premium hunts somewhere underneath that cap. The concern of the legislature was that they saw the cap for elk at \$350 and their constituents became concerned that we were going to bring all the elk tags up to \$350. What they are looking for is some sort of a breakout so that their constituents don't get the wrong idea, and a commitment from the Commission that every tag is not going to go to those cap fees.

The Commission continued discussion to work out the details.

Mr. Ferrell commented that the Commission was trying to work on three different issues at the same time. First, the message received from the legislature was that if we continue with the premium option, somewhere in the bill there needs to be an explanation of what a non-premium cap will be. The way it's structured now, purposefully, was that all tags for deer and elk will be capped at that premium level and the concern is that their constituents are afraid that means all tags, including for instance, a cow elk tag could go for \$350. If we're going to stay with premium pricing then we need to tell them what the non-premium tags are valued at or define premium in statute. So you have two options that address Mr. Guiles point: 1) make some distinction between the prices of a premium or a non-premium tag or 2) define what a premium tag is in the statute. Second, the discussion turned to the pricing of a premium tag and what it should be and then that got confused with the third issue, implementation schedule. Mr. Ferrell recommended that the Commission take these issues one at a time, decide how to address the issue of the premium that would satisfy the legislative concern, and then start talking about implementation schedules. It would be important and much easier to write into the bill an implementation schedule based on percentages over a certain period of years rather than trying to set implementation schedules in the pricing of tags. Pricing of tags should be separate from the implementation schedule.

Commissioner Melton requested a definition of a premium hunt, and asked how a premium hunt would effect the regular hunts and the Commissions ability to establish them.

Mr. Guiles pointed out that the Commission puts themselves into a tighter and tighter box when they try to define what a premium hunt is. Discussions have gone around and around to try to come up with some language that everyone can agree on. One of the options was having a percentage of those licenses not be greater than 5%; no more than 5% designated as premium tags. That way 95% of the tags are left underneath the cap, so our constituents know that no more than 5% of the tags are going to be premium priced. Another option would be to get rid of the premium pricing altogether. The third option is that, based on draw odds, premium pricing would be based on those and would be less than a certain percentage, so that draw odds of less than 2% would be premium pricing.

Commissioner Chilton asked about the current percentage of hunts that are designated as premium and if Mr. Guiles was comfortable with the 5%. Mr. Guiles responded that the percentage is about 2-3% for elk and about 1% for deer, and that he was comfortable with the 5% because the Commission does not have to go to 5%; they have the option to issue 1% or none if they wish.

Chairman Gilstrap confirmed with Mr. Guiles that this would be reflected in the language of the bill and that it would be simplistic and understandable.

Mr. Ferrell added to the third option that there seems to be a bright line between the hunts that have 2% draw success or less and those with 2% or more between what we are currently calling premium or previously capped hunts. Those early bull hunts for general firearms are below 1% and the late bull hunts seem to be in that 6-7% draw odds, so if the draw odds were used as the bench mark, that 2% seems to be a pretty bright line right now between early bull and late bull. However, it doesn't address the archery issue.

Commissioner Gilstrap commented that this brings us back to the 5%, which could include archery.

Mr. Guiles confirmed this and stated that the Commission would have the flexibility to designate which the premium hunts would be whether muzzleloader, archery, center fire or any other hunt they want to designate as long as it's below that 5% total tags issued for the genus, leaving 95% as non-premium hunts.

Commissioner Melton asked about the caps for the other 95%.

Mr. Guiles responded that our recommendations for the 95% are in line with YVRGC's recommendations. We've had the cap for a regular deer hunt at \$50 and for elk at \$150.

Motion: Melton moved and McLean seconded THAT THE PREMIUM HUNTS ARE CAPPED AT NO MORE THAN 5% AND THAT THOSE WOULD BE AT THE WEIGHT OF THE EXISTING LEGISLATION, WHICH IS \$150 FOR DEER AND \$350 FOR ELK.

Vote: Unanimous

Jim Odenkirk joined the teleconference at 9:05 a.m.

Commissioner Melton asked if we should have language in the motion to specifically say that the resident fees would not go above \$200.

Chairman Gilstrap stated that it's not in the motion, but it is in the schedule.

Mr. Guiles pointed out that in the bill, there is no cap for the second tier and suggested drafting legislation to state that no more than 5% of the tags will be the premium price cap of \$150 and \$350 and then the 95% will be at the \$50 and \$150.

Mr. Ferrell stated that the 'no more' on the second set of schedules causes some difficulties because if you are going to say no more than 5% can be premium tags then the language should read the rest of the tags would be set at the \$150 and \$350.

Mr. Guiles stated that the schedule for non-residents needed to be included in the motion as well. The non-resident cap on the premium elk would be \$3200 and regular elk would be \$775. The non-resident cap on premium deer would be \$1200 and regular deer at \$325.

Motion Restated: Melton moved and McLean seconded THAT NO MORE THAN 5% OF THE TAGS WILL BE THE PREMIUM PRICE CAP OF \$150 FOR DEER AND \$350 FOR ELK; THAT THE REST OF THE TAGS WILL BE SET AT \$50 FOR DEER AND \$150 FOR ELK; THAT THE NON-RESIDENT CAP ON THE PREMIUM ELK WOULD BE \$3200 AND REGULAR ELK WOULD BE \$775; AND THAT THE NON-RESIDENT CAP ON PREMIUM DEER WOULD BE \$1200 AND REGULAR DEER AT \$325.

Vote: Unanimous

The Commission addressed the issue regarding the taxidermy and guide caps.

Motion: McLean moved and Chilton seconded THAT THE TAXIDERMY CAP BE SET AT \$250 AND THE GUIDE CAP REMAIN AT \$500.

Vote: Unanimous

Director Shroufe mentioned the implementation schedule and asked if the Commission wanted to leave it as is and let it happen by rule, or did the Commission want to write something in like last year, for example, not over 2/3rds in the first year or 50% in the first year and 50% after five years.

Commissioner Chilton suggested letting the two Commissioners Gilstrap and Golightly, who are representing the Commission at the legislature, move on this issue as they see necessary.

The Commission further discussed the 2/3rds in the first year of implementation and whether that would cover employee salary increases and planned projects.

Commissioner Chilton signed off and left the meeting at 9:30 a.m. due to a conflict in schedule.

Chairman Gilstrap clarified that the Commission has given direction to himself and Commissioner Golightly for up to 2/3rds in the first year of implementation to be included in the bill, if necessary to move legislation; if it is not necessary, they will let it be a moot point knowing that it is the objective.

Motion: Melton moved and McLean seconded THAT THE MEETING ADJOURN.

Vote: Unanimous

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Meeting adjourned at 9:35 a.m.

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W. Hays Gilstrap, Chairman

Joe Melton, Member

Michael M. Golightly, Member

William H. McLean, Member

Sue Chilton, Member

ATTEST:

Duane L. Shroufe
Secretary and Director