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2000
ECONOMICS SURVEY
NON-RESIDENTIAL GUIDED DEER
TAG AND MOUNTAIN LION HUNTERS

Funded by Nevada Commission on Tourism
Prepared by Nevada Outfitters & Guides Association

Original Exhibit on file at the Legislative
Council Bureau Research Library

ASSEMBLY NATURAL RES., AGRICULTURE & MINING
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Introduction

This report summarizes the results of the outfitting industry study conducted by the Nevada Outfitters and Guides Association (NOGA), the Elko Convention and Visitors Authority and the Nevada Commission on Tourism. The purpose of this study is to develop a profile of the non-resident hunters who utilize the *non-resident guided deer hunt tags* and the *non-resident mountain lion tags*. The end result shows an evaluation of the economic impact the outfitting business has on the state of Nevada.

In this survey we have placed an economic value on wildlife. The big game animal in the state of Nevada has become a commodity. The last survey done in Nevada, was in 1987 by Fenton R. Kay Ph.D., for the Nevada Department of Wildlife. "At the time there was no accepted market value for a deer or fishing trip, because wildlife "values" defy the common methods of supply and demand." (Aiken 1986; Loomis et al., 1985; Donnelly and Nelson, 1986)

Nevada and many western states have now recognized the value of big game and the economic value of a guided hunt. The market price does drive the value of a guided hunt. In fact, many western states have drafted legislation to ensure that guides have an ample number of tags to ensure they have a product to sell. By looking through trade brochures from all western states we found that the price of a guided deer hunt was comparatively priced with those in Nevada. Our survey averaged the guided hunt price at \$2,500 for both deer and mountain lion.

For the year 2000 deer season, 1,648 non-resident hunters applied for the 400 non-resident guided deer hunt tags. These tags are sold by a lottery drawing for \$300 each, where a regular non-resident tag costs \$150. The Nevada Department of Wildlife received \$120,000 from the sale of these tags. This didn't included the additional sum of \$16,480 received for processing the application.

PROCEDURES

NOGA mailed out 500 survey cards to the 1999 year guided deer tags hunters and non-resident mountain lion hunters. Of these individuals 263 returned completed questionnaires (53%). The following results were based on the returned surveys. The sample appeared representative of the total population in terms of state residence and the type of hunt. The form was designed by NOGA after reviewing the Jackson Hole Survey and NDOW's survey. The form was kept simple and had a drawing for a \$200 gift certificate from Cabela's to encourage participation.

Region Of Origin

The majority of reported hunters came from the following three regions of the country: Pacific Coast (68%), Midwest (18%), and the East Coast (13%). The top five states were: California (51%), Washington (5.5%), Minnesota (4.8%), Utah (4.8%), and Oregon (3.8%).

Type of Big Game Hunted and Success Rate

The largest percentage of reported hunters had non-resident guided deer tags (88.9%). The remainder of those surveyed had mountain lion tags (11%). The success rate of the guided deer hunts was (78%) and the mountain lion hunts were (55%).

Mode of Transportation and Lodging

Although many of the hunters came from distant states, the largest percentage traveled by private vehicle: Auto (73%), Air (14%), RV (3%).

The survey also asked for type of lodging utilized on their hunting trip. The main type of lodging used was hunting camps (57%), motels/hotels (36%), ranch houses (18%), and campground/others (4%) completed the list. Most of the hunters responding used more than one type of lodging during their stay, the percentage summed to more than 100%.

AVERAGE LENGTH OF STAY IN NEVADA

The average length of the hunters' stay in Nevada was 6.9 days, with 5.3 of those days spent on the hunt itself, and 1.5 days spent on other activities in the area. In the (Fenton R. Kay, Ph.D.) Study 1987, the average non-resident hunter spent 8.1 days in Nevada.

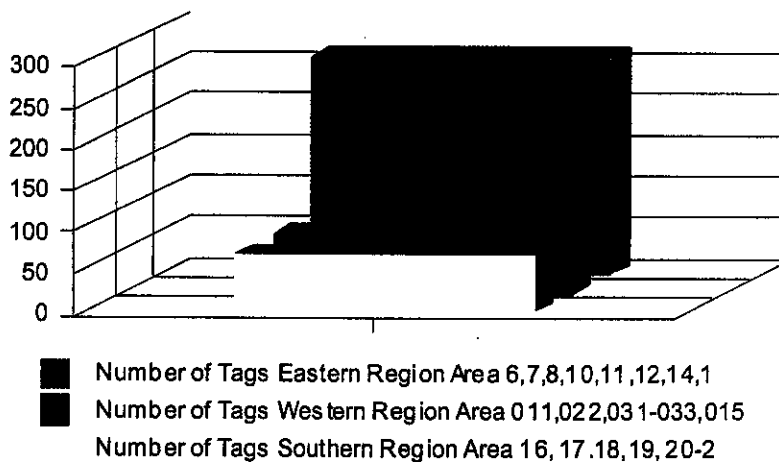
Average Number in Travel Party

The average number of people in the total traveling party was 2.27 persons.

Cost of Guided Hunt

The average total expenditure by each hunter in Nevada was **\$3,389.26** for a total of **\$891,375.38** spent by all those surveyed. For the total non-resident guided deer tags this would equate to **\$1,355,704.00** (average hunt \$3389.26 X 400 tags). Mountain lion hunters had an average cost of **\$3,857.69** on their hunt for an average of **\$111,873.01** for those surveyed.

Distribution by Region for Guided Deer Hunt Tags

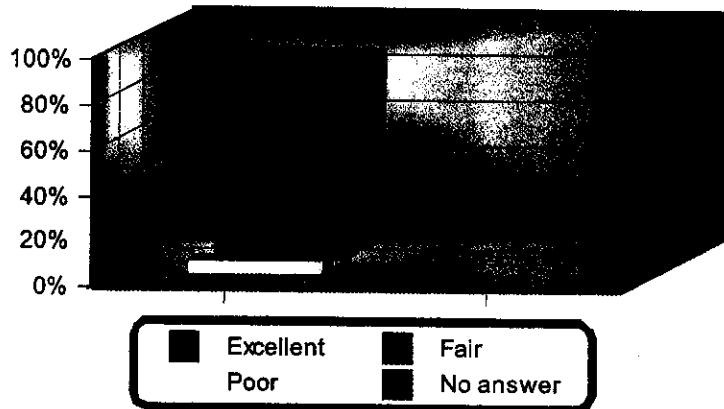


Best Feature of Hunt

The largest percentage of those responding considered uncrowded beautiful state and scenery as the best feature of the hunt (56%). A good job by the outfitter in knowledge and professionalism was (32%). The remainder had very positive things to say about their trip (11%).

The overall hunting experience in Nevada was rated as:
Excellent (84.41%)
Fair (8.75%)
Poor (5.32%)
and only four hunters did not respond to this question.

Nevada Experience



Worst Feature of Hunt

The largest complaint received for those who answered this question under additional comments was not being able to draw a tag for a return hunt (88%). The second complaint dealt with the weather, lack of quality bucks and minor issues (9%). The other complaint was seemingly directed at one outfitter service (3%). It should also be noted that this outfitter is not a member of the state guide association. These complaints have been forwarded to the proper agencies.

Economic Impact

What did the hunting expenditures generated by the outfitting industry mean to the State of Nevada economy? In terms of direct dollar sales the typical hunter spent a total of \$3,420 during their stay in the state. This represented an expenditure of about \$495 per day for the average stay of 6.9 days. This compared to an average expenditure of about \$628 per trip for **non-guided** hunters. The average stay was 6.5 days for an expenditure of \$96 per day. (Only 21 non-guided hunters returned survey cards.) Thus, the typical guided hunting client stayed longer and spent substantially more money.

Of the \$3,420 of expenditures by our clients, an average of \$2,500 went directly to the outfitter (73%). The remaining \$920 went to local businesses such as restaurants, motels, service stations, taxidermy and gaming.

DIRECT SALES:

429 HUNTERS x \$2500/HUNTER = \$1,072,500.00 - Direct Sales By Outfitters

429 HUNTERS x \$920/ HUNTER = \$394,680.00 - Direct Sales By Others

\$ 1,467,180.00 - Total Direct Sales

In this survey, we only mailed questionnaires to the non-resident guided deer tag holders and everyone who bought a non-resident mountain lion tag. The return rate for the mountain lion hunters was very low with 42 returns and only 29 of them being guided hunters. This survey did not figure in the guided sheep, elk, deer and antelope hunters. This factor would greatly increase the actual number of hunter dollars flowing into the state economy. So one must realize that these figures only represent a small portion of Nevada's guided hunters, and yet with only 429 clients we brought in over \$1.4 million dollars.

Since many of the dollars received from the hunters were spent among the local businesses and households, the total effect on the local economy was actually greater than the \$1.4 million. The Recreation and Tourism Survey of Teton County, Wyo., provided us the multiplier to estimate the effects of our clients' dollars. Applying these multipliers to the \$1.4 million dollars in direct sales resulted in estimated total sales of 2.5 million dollars.

TOTAL SALES:

\$1,072,500.00 x 1.85 Multiplier for Outfitters = \$1,984,125.00
\$394,680.00 x 1.47 Multiplier for Others = \$580,179.60

TOTAL SALES **\$2,564,304.60**

Outfitting is based on the use of a renewable resource, wildlife. This means that the resource can be used for many years without depleting it. In order to account for the renewable nature of the resource involved, the dollars of total sales generated by the outfitters need to be considered as a stream of dollars flowing in yearly for an extended number of years. This would only change in years of a severe reduction in tags. The current value of this future stream of dollars can be considered in today's terms by estimating its present value. Present value is today's lump sum which represents the current value of future payments.

If a ten-year time period and a 3% discount rate were selected (Federal Reserve Bank 2000) the \$2,564,304 in total sales would have an estimated present value of \$3,345,835 (present value). This figure represents the current value of the total sales from hunting generated by the state outfitting industry over the next ten years, if the industry can maintain its current sales volume. While it's difficult to project ten years into the future with certainty, this approach is necessary to account for the renewable nature of the resource involved.

Present Value of Total Sales

P.V. of \$2,564,304.00 for ten years = \$3,345,835.00 at 3%

The economic impact outfitting has on the state could be changed by simply increasing the amount of guided non-resident deer tags. Currently the guided hunt tags are based on a formula introduced to the legislature by the Nevada Outfitters & Guides Association. Before that time no such allocation of tags was given, meaning millions of dollars in lost revenue.

Restricted Non-resident Guided Hunt 1235

"Nevada law provides for the sale of deer tags to guided non-residents. This hunt's quota will be subtracted from the quota of rifle deer tags for non-residents, and cannot exceed (16%) of the deer tags issued to non-residents during the previous year, or 400 tags, whichever is greater. Tags may not exceed (37.5%) of the rifle deer tags issued to non-residents for a unit group in the previous year."

If the state were to increase Hunt 1235 tags by 200 tags it would increase the economic valuation by \$677,852 in direct sales or 600 tags x \$3389. = \$2,033,400 (direct sales). Currently the guided hunt draw is oversubscribed by (76%). The non-resident who wants to spend his money and time in Nevada only has a (24%) chance of drawing a tag. So, any increase in tags for the 1235 Hunt would increase the statewide economy and would boost the rural Nevada areas that rely on hunting-generated tourism.

The time of year that outfitters' clients, as well as other hunters, spend dollars in the local economy is an important aspect to the rural areas. This time period generally begins in August and runs through the end of the year when things are generally slower for most tourism related business. The flow of dollars begins with the departure of summer tourists.

There is more to the outfitting business than just hunting. The majority of outfitters also provide other recreational services. These are primarily pack trips, fishing, bird watching, cattle drives and horse rides. The daily fee charged for these services is about \$175 per day.

In summary, while the number of guests served by the local outfitting industry is not comparable to gaming tourism, this industry does make a significant contribution to the state economy, prevalently in rural Nevada. The typical hunter using an outfitter stays substantially longer and spends substantially more than most visitors. This, plus the renewable nature of the resource utilized, the ability to use local inputs, and the timing of expenditures, makes the outfitting industry an important asset of rural Nevada.

Outfitting is very important in Nevada and any decrease in the Restricted Non-Resident Hunt tags would have an impact on the rural economies. This decrease would result in a substantial loss in local benefits, a loss that would be difficult for other economic activities to replace in rural Nevada. For this reason, it is important that the public and elected officials do everything they can to sustain and enhance this crucial industry that plays a major role in the state of Nevada.