

PERMIT AUCTION: THE GOOD, THE BAD AND THE UGLY

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Abstract: Nine states now annually provide at least one sheep permit for auction to the highest bidder. The rules and procedures utilized by each state are summarized. The revenue received from these auctions has provided significant benefits to the sheep populations in the respective states. Bids have ranged from \$15,000 to as high as \$109,000 for a permit. Habitat improvement and transplants into new areas are but two of the many programs supported by the auction revenue. All states indicated the benefits to their sheep management program have or will be substantial as a result of the revenue received from the auctions. Many of the states currently allow the auction permit holder more flexibility in obtaining a sheep. Arizona, Nevada, Oregon, Utah and California have provided extended or special seasons after or before the regular season for the auction permit holder. Wyoming, Idaho, North Dakota and Montana restrict the auction permit holder to the same season as other permit holders, but allow the permit holder to hunt any open district. Considering the bids received for the auction permit, one could conclude these special considerations appropriate. Another conclusion would be that big money is beginning to influence sheep management decisions and the general sportsmen is being treated unfairly. This year, the high bidder for the Montana sheep auction license requested authorization to transfer his permit to another individual. He also requested extension of the season into November and December. Montana developed special rules to answer these questions. Other states have also developed special rules in response to other problems. Some coordination between states has taken place to date, but regulations are not consistent. How far should a wildlife management agency go to respond to the auction permit holder? Sportsmen in at least Montana are beginning to question those decisions. Management agencies should not let this issue build until sportsmen are at each others throats. We need to make decisions now which will lessen this conflict? Now is the time to act before the good and the bad changes to the ugly! Recommendations are made to protect the bidder and to continue public support for the auction process.

Bighorn sheep have long been a highly prized trophy by sportsmen. This is as much related to the bighorn's massive horns and rareness as it is to the difficulty for a hunter to obtain a license.

Beginning with the state of Utah in 1980 many western states began to auction or raffle at least one bighorn permit each year to obtain revenue to support bighorn sheep management programs. The auctions to date have been very successful at raising revenue.

The highly prized nature of the bighorn sheep as a trophy together

with the extreme difficulty for a sportsmen to obtain a permit to hunt the species creates a strong, emotional feeling amongst some to strongly object to the auctioning process. Are not the wildlife of the state a public resource? Why should those with the willingness to spend large sums of money be granted a license? Isn't a raffle more fair for all? Why should the auction license holder be granted more privileges than the sportsmen receiving a license by drawing?

All of these questions and more are beginning to surface in sportsmen group meetings, newspaper articles (Lindler, 1987) and magazine articles (Park 1988). This paper is intended to summarize the current situation, review the pros and cons of permit auctions and recommend a course of action to prevent further conflicts amongst sportsmen on this issue.

I wish to thank those wildlife department personnel from the states of Utah, Arizona, Nevada, Wyoming, Idaho, Oregon, California and North Dakota for providing the information which formed the basis for this paper.

METHODS

A questionnaire was sent to the wildlife department's in the state of Arizona, Utah, Nevada, Oregon, Wyoming and California to obtain information concerning the auction or raffle process utilized and the projects funded through the use of the funds generated. Followup contacts by phone yielded additional information and clarified answers to the questions which were unclear. The information from the states of North Dakota and Idaho were obtained by phone. Information from the state of Montana was obtained from Montana Department of Fish, Wildlife and Parks records by the author.

RESULTS AND DISCUSSION

In 1987, the Montana Department of Fish, Wildlife and Parks received 10,137 applications for bighorn sheep licenses issued through drawings. Only 2% (207) hunters were successful in receiving a license (Table 1). The odds for drawing a license in some areas exceeded one chance in 260. Hunter demand for bighorn sheep licenses has steadily increased (7,147 applicants in 1984 to 10,538 applicants in 1987). The demand for bighorn sheep license in other states and provinces is similar and makes a bighorn sheep license a very highly coveted prize to sportsmen.

The practice of auctioning or raffling bighorn sheep permits began in 1980 when the state of Utah auctioned one bighorn sheep permit for \$20,000 through a sealed bit process. Other states have progressively followed suit through the years until presently nine states have or will offer for auction or raffle at least one bighorn sheep license. The only remaining states not utilizing the auction process are Alaska, Washington, Colorado and New Mexico. Even these states are now seriously considering the auction process as a way to increase revenue for management programs.

Since 1980 a total of nearly \$1.8 million has been raised for state management programs through the auction of bighorn sheep licenses or

Table 1. Number of applications for bighorn sheep licenses in Montana, 1983-87.

Year	Number applications	Successful applicants	Percent successful
1983	8,170	1,106	14
1984	7,147	744	10
1985	8,341	562	6
1986	8,628	610	7
1987	10,538	513	4

permits (Table 2). In 1987, the highest bid ever received for a bighorn sheep license was \$109,000 for a Montana license. Although the amounts received each year through the auctions have varied, the revenue generated has remained quite stable in each state.

Arizona has also utilized a raffle to raise money for sheep management projects. In 1984, the Arizona permit auction raised \$64,000 and the raffle generated \$82,000. Arizona's experience indicates a raffle may actually generate more revenue than an auction. However, the money generated through a raffle depends largely on the number of participants. Thus, states with lower populations might actually raise more money through an auction.

It is apparent from the bids received since 1980 that one could on the average expect a bighorn license to go for between \$40,000 - \$50,000. What then makes the states of Montana, Arizona, California and Idaho receive higher bids than the average. A review of the latest Boone and Crockett Records book lends some insight into this phenomenon.

A review of the 8th edition of Boone and Crockett Records shows that the Canadian provinces of Alberta and British Columbia and the state of Montana provides the majority of records for bighorn sheep. The state of Arizona and Mexico have provided a majority of the records for Desert Bighorn. In both the 18th and 19th Awards Competition for Boone and Crockett, these states and provinces maintained their place in the record book. Since 1980, 37 of the 92 rams entered in the two Boone and Crockett Awards Competition were from Montana. In 1986, at least 19 rams, and in 1987, at least 15 rams that exceed Boone and Crockett minimums were taken in Montana. The 19th Awards Competition included sixteen desert rams from Arizona, seventeen from Nevada and eighteen from Mexico.

California just recently began hunting bighorn and thus hunter expectations are that new records will be set with rams taken there in the next few years.

Bidders also cite their strong support for the sheep management programs as a reason for the high sums of money generated by the auctions. The stability of the high bids over the years support this. Additionally,

Table 2. Revenue dollars received from bighorn sheep permit auctions. (1980-1988).

State	1980	1981	1982	1983	1984	1985	1986	1987	1988
Utah	20,000	22,000	22,500	32,000	33,000	27,000	20,000	20,000	?
Nevada	21,050	21,000	25,002	22,050	67,500	42,500	57,000	57,000	80,000 ^a
Arizona ^b					64,000	42,000	27,000	49,000	47,500
Montana							79,000	109,000	93,000
California								70,000	59,000
Oregon								56,000	?
Wyoming				43,000	52,000	80,400*	25,000	35,000	28,000
North Dakota							17,000	21,000	15,000
Idaho									68,000

a Two permits were offered (bid shown was for both permits).

b Arizona also offers a permit for raffle through the Arizona Desert.

Bighorn Sheep Society. The revenue generated from these raffles is not shown.

the Foundation for North American Wild Sheep emphasizes "putting sheep on the mountain" as their goal.

The main benefit of the auctions is the revenue generated provides a good funding source with which to support needed sheep management projects. All of the states indicated they used the revenue from the auctions primarily for transplants of bighorn into new areas and for the purchase of equipment utilized in that process. Most states also utilized some of the revenue to fund annual census surveys by helicopter and/or fixed wing aircraft. Habitat improvement projects such as controlled burning of winter ranges and construction of water developments was also cited as important projects. All states indicated these programs could not have been conducted without a source of revenue like the auctions.

Although most states have had few problems with the auction process, nearly all have received some negative comment from sportsmen. Most of the negative comments are related to complaints about selling a public resource. The states with the longest history of auctions indicated fewer and fewer of these complaints surface as the program results begin to surface. Montana encountered opposition from sportsmen to the auction license holder's request for a longer season.

Public perception of the auction process is pivotal to its future. At present, public perception appears to be on the positive side as evidenced by the limited number of negative complaints received by the states auctioning permits to date. All states contacted indicated a sensitivity to this and emphasized their desire to uphold the image of hunting and hunters by preventing abuses of the auctioning process by implementing reasonable rules and regulations.

A review of each state's regulation reveals that most states grant the auction license holder privileges beyond that which other license holders receive (Table 3). Although these privileges may be appropriate, the states are not consistent in their approach. This inconsistency may result in increased public and sportsmen opposition to the auction process in the future.

Other problems which have surfaced are:

- 1) Payment made in nonlegal tender (rubies)
- 2) High bidder not able to physically hunt
- 3) High bidder defaulted on payment
- 4) High bidder wanted to transfer license to another individual
- 5) Revenue generated utilized to fund other programs
- 6) Regulations prevent obtaining license more than once in a lifetime
- 7) Successful bidder requests special season different than that granted other license holders.

Table 3. Summary of privileges states grant auction permit holders.

States	Number Permits	Methods of Issues	Privileges
Montana	1	Auction	Larger hunt area
Utah	1	Sealed Bid	Longer season, guide, transportation, meals, lodging
Nevada	2	Auction	Larger hunt area, late separate season
California	1	Auction	Larger hunt area, longer season, earlier season
Arizona	2	Auction/Raffle	Separate season, longer season
Oregon	1	Auction	Longer season, larger hunt area
Wyoming	1	Governor Designated	Larger hunt area
North Dakota	1	Auction	Larger hunt area
Idaho	1	Auction	Larger hunt area

Each state has enacted rules and regulations to resolve the problems encountered and although some contact between states has occurred, regulations are not consistent.

RECOMMENDATIONS

States currently auctioning a sheep license or contemplating to do so have an obligation to ensure that the resource benefits from this process and the public and sportsmen maintain their support for the program. Failure in either area will eventually result in the end to the auction process and a reduction in the revenue needed to adequately fund necessary projects. Ultimately, the wild sheep resource will suffer.

What can be done to protect the bidder, ensure high bids will continue and still provide for continued public and general sportsmen support? The following suggestions are recommended for consideration.

- 1) Regulations should be enacted by each state which specify:
 - a) How and when transfer of the license from the high bidder to another individual can occur.

- b) Payment procedures to include payment in legal tender, payment deadline, percentage retained by auctioning organization, procedure if default occurs.
 - c) Time frame for license issue (i.e. 30 days prior to season).
 - d) If once in a lifetime restrictions apply.
 - e) Legal hunting areas, time of season, ram size restrictions, etc.
 - f) Statement preventing subsequent sale of the license for commercial gain.
- 2) States should carefully consider granting extra privileges to auction license holders beyond allowing for hunting within open hunting areas and seasons.
 - 3) Funding received from wild sheep license auctions should be designated for use in only sheep management programs.
 - 4) Regulations and rules governing the use of auction permits should be disseminated to all prospective bidders prior to auction.

LITERATURE CITED

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