

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	330,000	218,172 to 408,757	330,000	218,172 to 408,757
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	330,000	218,172 to 408,757	330,000	218,172

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 142 creates the Aquatic Invasive Species Program and gives the responsibility for implementation of the program to the Game and Parks Commission.

To fund the program a new fee is created that will be paid each time a boat is registered in Nebraska for the first time and when the registration is renewed every three years. This fee is to be set at not less than \$5 and not more than \$10. For boats not registered in Nebraska, an aquatic habitat stamp is created that is valid for one calendar year. The fee for this stamp is to be set at not less than \$10 and not more than \$15 plus an issuance fee.

If the fees are set at the minimum level of \$5 for resident boats, and \$10 for non-resident boats plus a \$2.00 issuance fee, the estimated annual revenue is \$218,172. This is based on 34,176 resident boat registrations each year and 3,941 non-resident boats. If the fees are set at the maximum level the estimated annual revenue increases to \$408,757.

The implementation details are left to the Game and Parks Commission but in general include the testing of waters for invasive species, inspection of and decontamination of boats and trailers, education of the public, research, and potential invasive species removal projects. The Commission envisions hiring seasonal employees and a program administrator as well as using current staff for inspection and decontamination activities at select bodies of water. Equipment, supplies and travel costs will be incurred. Education and research components may include signage, media purchases and contracts with the University of Nebraska. Total costs are estimated at approximately \$330,000 per year.

If the Commission sets the fees at the lowest level as they plan to do, the \$111,828 shortfall between the estimated costs of \$330,000, and the estimated revenue of \$218,172, will be made up with matching grants and partnerships according to the Commission.

The county treasurers are given the responsibility to collect the additional fee when resident boats are registered. Since they are already collecting boat registration fees the collection of the additional fee is not expected to have a fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 142	AM:	AGENCY/POLT. SUB: Nebraska Game & Parks Commission
REVIEWED BY: Cindy Miserez	DATE: 01/16/2015	PHONE: 402-471-4174
COMMENTS: I concur with the Nebraska Game & Parks' statement of fiscal impact for LB 142.		

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 142

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Game and Parks Commission

Prepared by: ⁽³⁾ Patrick H. Cole

Date Prepared: ⁽⁴⁾ 1/13/15

Phone: ⁽⁵⁾ 402-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	330,000	218,172	330,000	218,172
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	330,000	218,172	330,000	218,172

Explanation of Estimate:

The proposed legislation establishes the Aquatic Invasive Species Program along with two funding mechanisms. The first funding source is an additional fee of not less than five dollars and not more than ten dollars on each boat registered in Nebraska to be paid at the time of registration or renewal. For boats not registered in Nebraska, an aquatic invasive species stamp (AIS stamp) would need to be purchased and displayed annually. The fee for the stamp would be not less than ten dollars and not more than fifteen dollars (plus an issuance fee of not less than fifty cents and not more than two dollars).

Boat registration/renewal in Nebraska typically occurs on a three year cycle as each registration is good for three years. While each year of the cycle is not equal, for purposes of this fiscal note the most recent registration numbers (34,176 for calendar year 2014) will be the basis for estimating revenues. The number of boats coming into the state that are not registered in Nebraska is not known. It is assumed that the number is a function of the number nonresident anglers, and that function is similar to the one exhibited by resident boats/anglers. Based on that assumption an estimated 3,941 annual aquatic invasive species (AIS) stamps would be sold.

The following table reflects the estimated revenues that could be generated based on the available fee range. Assuming the Commission would start with the minimum fee structure, with the exception of the stamp issue fee, and estimated \$218,172 would be generated annually. Since issuance of the AIS stamps could involve electronic issue necessitating mailing of stamps, the maximum issue fee is likely to be incorporated to help cover postage and handling costs. CONTINUED ON NEXT PAGE

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program Specialist	1	1	53,887	53,887
Seasonal Employees (Cons Techs)	10	10	103,304	103,304
Benefits.....			34,692	34,692
Operating.....			98,118	98,118
Travel.....			10,000	10,000
Capital outlay.....			30,000	30,000
Aid.....				
Capital improvements.....				
TOTAL.....			330,000	330,000

REVENUE PROJECTIONS				
"RESIDENTS"				
BOATS	Min FEE	Min Total	Max FEE	Max Total
34,176	\$ 5.00	\$ 170,880.00	\$ 10.00	\$ 341,760.00
"NONRESIDENTS"				
Stamps				
BOATS	Min FEE	Min Total	Max FEE	Max Total
3,941	\$ 10.00	\$ 39,410.00	\$ 15.00	\$ 59,115.00
Issue Fee				
3,941	\$ 0.50	\$ 1,970.50	\$ 2.00	\$ 7,882.00
				\$ 218,172.00

Since the identified funds are intended to support an Aquatic Invasive Species (AIS) Program, **an A Bill would be requested** to provide for program implementation.

The Commissions intent is to hire seasonal employees, a program administrator and utilize other existing permanent staff to coordinate/conduct inspections of conveyances (primarily boats) at select water bodies and to perform the necessary decontamination activities to ensure aquatic invasive species are destroyed and thus prevented from spreading. This component will require monies for the program administrator (1FTE) plus seasonal staff wages and benefits, decontamination equipment and supplies, as well as travel related expenses (vehicle fuel, room and board etc). Additionally, the AIS Stamps would need to be produced and distributed requiring annual printing and postage costs as well as administrative costs associated with accounting for sales and distribution.

The program would have an education and research component requiring outreach materials, signs, media purchases, and probable contract/agreement expenses with the University of Nebraska for research personnel.

The funding mechanism identified in this legislation is expected to only partially fund the initial program implementation efforts. Other matching grants and partnerships would be sought to meet the minimal annual effort costs of approximately \$330,000 per year. Depending upon the level of infestation and/or treatment needs identified the cost could increase over time.