

Updated to reflect amendments adopted through February 12, 2020.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(204,936)		(204,936)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(204,936)		(204,936)

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

As amended, LB126 proposes to require the Game and Parks Commission to issue up to four (4) discounted limited permits to hunt deer at a cost of \$5 each, to each qualified landowner and designated members of their immediate family if the qualifying landowner has been issued a regular limited permit (\$17 cost). No more than one (1) discounted limited permit per person may be issued. The discounted limited permit would be valid only during the three (3) days of Saturday through Monday immediately preceding the opening day of the deer firearm season. No more than four (4) discounted permits may be issued per qualifying landowner with a limit set by the number of acres owned by a resident divided by 80 and a non-resident owned by 320. Additionally, no more than two (2) of the discounted permits may be issued to the two (2) age groups: 1) those persons who are 18 years of age or younger, and; 2) those persons who are older than 18 years of age.

Based on information provided by the Commission, the total number of regular limited permits issued to resident qualifying landowners in CY18 was 7,094. Also provided was the total number of regular limited permits issued to those individuals who were appropriately related to the resident qualifying landowner for CY18 - 17,078. The data set provided by the agency also allowed for the ability to decipher how many regular limited permits were issued to qualifying landowners who have between 80-159 acres, 160-239 acres, 240-319 acres, and 320-plus acres. Knowing the specific number permits issued in relation to farm/ranch size allows the computation of the maximum number of the discounted limited permits (20,553) that would have been issued in conjunction with the 7,094 regular limited landowner permits issued in CY18. Further, this allows for an estimated impact on revenues based on historical data to be calculated.

- Utilizing the data described above, and assuming that the 17,078 appropriately related individuals would purchase the discounted limited permit instead of purchasing a regular limited permit at the normal price of \$17 as they had in the past, there would be an estimated loss of cash fund revenue in the amount of **\$204,936** annually.

Other items of note:

- No expenses related to administering the provisions of the bill appear to be present that would not be able to be absorbed within the agencies existing appropriation as mechanisms and systems are currently in place that would meet any needs. Additionally, an increase in overall enforcement efforts may not be needed as an expansion of the total number of hunters is not being anticipated; this is due to the assumption that individuals who would normally purchase a regular limited permit, will now instead purchase a discounted limited permit that is valid during a different, and shorter, timeframe.
- With the adoption of AM2380, it is clear that the types of permits that would be issued are "limited" permits. Pursuant to 37-426(4), an individual hunting with a limited permitted is not required to have a Habitat Stamp. Because the assumptions above reflect a shift of individuals purchasing a regular limited permit at \$17 to a \$5 limited permit, no fiscal impact related to revenue decrease due to Habitat Stamp sales dropping appears to be present.
- The NGPC fiscal note discusses other possible indirect effects on future permit sales and hunting opportunities. Any future effects related to these two items are not reasonably foreseeable.

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2020

LB⁽¹⁾ 126 AM2380 special landowner deer hunting permits

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Patrick Cole Date Prepared: ⁽⁴⁾ February 12,2020 Phone: ⁽⁵⁾ 402-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$352,117		\$617,298	(\$86,975)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$352,117</u>		<u>\$617,298</u>	<u>(\$954,203)</u>

Explanation of Estimate:

The legislation as amended proposes to provide up to four \$5 firearm deer hunting permits to hunt deer prior to the regular deer firearm season to any qualifying landowner **and** designated immediate family members. No more than 4 permits would be allowed with the limit set by the qualifying acres owned/leased by a resident divided by 80 and a nonresident owned by 320. To get 4 permits the total acres for a resident must be greater than or equal to 320 and for a nonresident 1,280.

The description of the permits does not clearly indicate that they are 'landowner' type or 'regular' type to determine value so both will be shown. It is assumed to be a limited landowner type valid only for the 3 days. A regular firearm permit has a fee of \$34 while a landowner permit fee is \$17. Depending on the type, a \$25 habitat stamp could be required (for regular/ not landowner). It appears to apply to both residents and nonresidents so using 2018 landowner figures (486 NR, 13,430 Res for total of 13,916) four \$5 permits could account for potential lost revenue as illustrated below, assuming owner meets the acreage requirement to receive the maximum 4 permits (320 for Resident/ 1,280 for Nonresident).

	QTY LO's	Assume all would meet acres			VALUE OF	POTENTIAL LOST REVENUE	
		\$5 Permit	REGULAR	Landowner	\$5 Permits	REGULAR	Landowner
Resident	13430	4	\$ 34.00	\$ 17.00	\$268,600.00	\$ 1,557,880	\$ 644,640
Nonreside	486	4	\$ 239.00	\$ 119.50	\$9,720.00	\$ 454,896	\$ 222,588
Total	13916				\$ 278,320	\$ 2,012,776	\$ 867,228

CONTINUED...

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Acct Clerk II	7 (3mo)	7	\$50,443	\$201,772
Conservation Officer	2 (3mo)	2	\$22,714	\$90,854
Benefits.....			\$66,037	\$264,148
Operating.....			\$ 15,131	\$ 60,524
Travel.....				
Capital outlay.....			\$172,792	
Aid.....computer programming.....			\$25,000	
Capital improvements.....				
TOTAL.....			\$352,117	\$617,298

The estimates provided assume all Landowner permits issued in 2018 represent qualifying landowners for the \$5 permits and all would meet the acreage requirements to get all 4 permits.

As \$5 permits, there could be revenue gain if the recipient were a new hunter. The Federal Sport Fish and Wildlife Restoration Program apportionment formula requires that a permit be paid in order to count it. Current value for a paid hunter in terms of Federal Aid grant dollars is \$70.11. Since most hunters only purchase 1 deer permit it could be assumed that the \$5 deer permit could be their only permit. Since there is a \$5 charge, the recipients could be counted for federal aid, so no loss of federal dollars would be anticipated.

Habitat stamps are not required of landowners hunting their own property with a landowner permit. Regular deer permits would require a habitat stamp. Since only 1 is required the direct impact would depend on whether or not they also buy an upland hunting permit and would thus need a stamp for that permit. If we assume the \$5 permits are 'landowner' type in terms of fee value and confined to their property then a habitat stamp would likely not be necessary. Assuming 25% of the 13,916 \$5 permit recipients don't have another hunting permit that requires a stamp, but would need one under a normal deer permit, the Habitat Fund could see a loss of $(13,916 \times 0.25 \times \$25)$ \$86,975 in annual revenue.

There would likely be impacts to other permit sales numbers issued since there are quota's tied to specific hunt units. Hunt unit quota's are determined by desired management objectives and considering past harvest success and population estimates. This would add a new/unknown variable to the mix since these additional permits could have a direct as well as an indirect (affecting archery season and regular firearm season) impact on harvest and thus the quantity of permits issued in the future. The additional 3-days of landowner firearm deer season may also take away hunting opportunities for upland game hunters with a lack of access and more interest in deer hunting. The highest participation times for pheasant hunting are the first two weeks of season, this potential season would fall on the second weekend of the pheasant/upland season. The impact would likely be revenue negative as a reduced number of other permits available for issuance would result.

The implementation of a more sophisticated registration/verification system not currently employed to assist in detecting false reporting and qualifying rules associated with age restrictions would be necessary. Development programming time and fees and testing time are estimated at \$25,000, and would necessitate a start date for the 2021 hunting season. It is estimated that at least one additional staff member would be necessary in each of the district offices/service centers (7) to verify eligibility and landownership and assist with updates as land changes hands throughout the year. For purposes of this note we will classify them as Accounting Clerk II's ($\$13.858 \times 2080 \text{ hours} \times 7 = \$201,772$ for wages plus benefits (Retirement+FICA+Family Health) would be \$201,639. Office equipment (computer, desk, chair, phone etc) estimated at \$3,000 each for a total of \$21,000 one time, plus ongoing office expenses of supplies and phones, travel, \$3,500/yr ($\500×7). With an assumed start date of the 2021 hunting season, the FY20-21 costs for staff would be only 3 months worth but include the equipment needs.

Additionally the days prior to the regular firearm season is open to archery hunters so this would increase the number of hunters in the field thus increasing the need for patrol/contact time.

Historic law enforcement investigations of landowner permits has revealed a violation (false reporting of qualifications and/or transfer of permits) rate that ranges between 19% to 24%. The introduction of \$5 permits in the mix could expand the scope of these types of violations. Two additional officer positions would be needed to handle the increased workload. Wages for the two officers is estimated at \$90,854 annually plus benefits (Retirement+FICA+Family Health) would be \$62,509. Operating expenses/supplies (vehicle fuel, phone and service, computer, office supplies, etc) is estimated at \$57,024 annually and 1 time equipment/supply expenses (truck, radio, law enforcement supplies) would be \$151,792.

Expenses summarized below:

Start UP (3 months) in FY21												
				520 hrs	7.50%	7.25%		24553.9				
Position	QTY	FTE/each	Wage	Annual	Retiremen	FICA	Life Insur	Health Insu	Operating/	1 time	Equipment	TOTAL
Accounting Clerk II	7	1	\$ 13.858	\$ 50,443	\$ 3,783	\$ 3,657		\$ 42,969	\$ 875	\$ 21,000		\$ 122,728
Conservation Officer	2	1	\$ 21.840	\$ 22,714	\$ 1,704	\$ 1,647		\$ 12,277	\$ 14,256	\$ 151,792		\$ 204,389
										\$ 172,792		\$ 327,117
Full YEAR FY22												
				2080 hrs	7.50%	7.25%		24553.9				
Position	QTY	FTE/each	Wage	Annual	Retiremen	FICA	Life Insur	Health Insu	Operating/	1 time	Equipment	TOTAL
Accounting Clerk II	7	1	\$ 13.858	\$ 201,772	\$ 15,133	\$ 14,629		\$ 171,877	\$ 3,500			\$ 406,911
Conservation Officer	2	1	\$ 21.840	\$ 90,854	\$ 6,814	\$ 6,587		\$ 49,108	\$ 57,024			\$ 210,387
										\$ -		\$ 617,298