

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS		See Below		See Below
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB468 would require Nebraska Game and Parks Commission (NGPC) to compensate a landowner for any damages to the landowner's property caused by game animals or game birds of the state. Property is defined to include, but not limited to, farm crops, livestock, structures, and fencing. The NGPC would also be required to adopt and promulgate rules to include specific provisions as detailed in the bill. Claims for damage would be required to be paid on an ongoing basis by the NGPC.

Utilizing National Agriculture Statistic Survey (NASS) information from 2001 and most recent values for crops, the agency has provided dollar amount estimates of damage to crops in the in the state at \$81,025,950 annually. Damages from mountain lions over the last three (3) years average a loss of \$684 each year. Additionally, they agency estimates costs associated with the administration of the program to be \$29,393,119. The majority of the estimate for administration of the program is related to the costs for a crop appraiser services (\$29,287,200). This figure is based on a cost of inspection estimate of \$400 per quarter section and a total of 11,715,000 acres being inspected. The total acres inspected figure was arrived at by taking the total number of acres of corn, beans, and wheat harvested in Nebraska in 2019 multiplied by a 75 percent factor. The 75 percent factor was used as this was the percentage of landowners who indicated they had crop damage due to wildlife during a recent landowner survey completed by the NGPC.

Agency estimates related to deer vehicle collisions are not reflected in the expenditure estimates as the provisions of the bill do not directly define property to include vehicles. Through the process of promulgating regulations for the program, the agency can elect to not include vehicles in the definition of property. The same holds true for other damages discussed in the agency fiscal note where damage estimates are unable to be determined for items not specifically defined as property in the bill.

Total agency expenditures each FY are estimated to be \$110,419,753.

If the funding source for this program is a current Cash Fund, passage of bill could render the NGPC ineligible to participate, and receive federal funding through the Wildlife and Sport Fish Restoration Programs due to a diversion of license revenues (defined at 50 CFR 80.20), as provided for by 50 CFR 80.10 and 80.21. The apportionment for FFY20 for the programs totals approximately \$14.5 million. Additionally, current statute (37-901 & 37-903) assents to the provisions of the Wildlife and Sportfish Restoration Programs requirements. Modification of these sections of statute may need to be considered.

For the reason directly above, the agency reflects General Fund expenditures.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 468	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission
REVIEWED BY: Claire Oglesby	DATE: 1/29/21	PHONE: (402) 471-4174
COMMENTS: With the assumptions provided by Nebraska Game and Parks Commission there is no basis to disagree with the agency's fiscal note.		

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

**2021**

**LB<sup>(1)</sup> 468 compensation to landowners for wildlife damage**

**FISCAL NOTE**

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

Prepared by: (3) Patrick H. Cole Date Prepared: (4) 1/22/2021 Phone: (5) (402) 471-5523

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$117,712,854		\$117,709,754	
CASH FUNDS				
FEDERAL FUNDS		(14,500,000)*		(14,500,000)*
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$117,712,854</u>	<u>(14,500,000)*</u>	<u>\$117,709,754</u>	<u>(14,500,000)*</u>

**Explanation of Estimate:** The proposed legislation would direct the Game and Parks Commission to compensate landowners for any damages to their property caused by game animals or game birds. Property includes but is not limited to, farm crops, livestock, structures, and fencing.

The commission is further directed to adopt and promulgate rules and regulations for reimbursing landowners for damages. The rules and regulations are to include provisions for third-party certified appraisers crops, livestock, and real estate. Such appraisers are to be approved by the commission and the landowner. The commission is to pay compensation claims filed pursuant to the rules and regulations on an ongoing basis.

No source of funding is specified. None of the current Game and Parks Commission cash funds provide for reimbursement of wildlife damage. So General Fund dollars would be requested. IF the Game cash fund is the intended funding source, the use of those funds to pay for crop losses would constitute a diversion of license revenues and would render the Commission ineligible from further participation in the Wildlife and Sport Fish Restoration (WSFR) Programs with the U.S. Fish and Wildlife Service. The WSFR programs have provided over \$345 million in federal dollars for fish and wildlife work in Nebraska since 1939.

The current apportionment for both programs for Federal Fiscal Year 2020 is just over \$14.5 million. This and future federal apportionments would not be available. Additionally the proposed use of Game Fund monies would be in direct conflict with Revised State Statutes 37-901 and 37-902 in which the State of Nebraska assents to the provisions of the WSFR programs. The proposed level of expenditure would not be sustainable within the Game Fund balance if any assemblance of ongoing work is expected. \* The (14,500,000) amount represents lost revenue if Game fund used.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Administrative Assistant I	1	1	\$32,991	\$32,991 *
Benefits.....			\$30,289	\$30,289 *
Operating.....			\$29,330,040	\$29,329,840
Travel.....				
Capital outlay.....			\$2,900	
Aid.....			\$88,316,634	\$88,316,634
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$117,712,854</u>	<u>\$117,709,754</u>

\*Plus raises

Administrative activities of the damage program would add expenses and personnel needs not currently covered by the commission. The bill would also require the agency to hire the necessary third-party certified appraisers called for in the legislation and appropriate to the damage reported. The estimated cost for the operation and payment of damages for game species is provided below. The cost of certified agronomist is based on 75% of the crops in the state having some sort of damage (based on the 2020 deer, elk, and antelope landowner surveys), the number of quarter sections are an estimate of what might need to be inspected. Livestock inspector rates were based on the average number of investigations the Commission does a year for depredation related to mountain lions.

In an effort to help identify the potential scope of a damage program several agricultural statistics were reviewed. Based on a 2001 National Agriculture Statistic Survey (NASS) there was a total of \$619 million in wildlife damage loss across the country to field crops, 75% of which was attributed to deer, turkeys, raccoons and geese. We used NASS data to estimate the total value of field crops in 2001 at \$61.4 billion. The damage value calculates to 1.0% of the total crop value for 2001. Since the game species listed above accounted for 75% of the damage, the estimate is reduced to 0.75%. This percentage can then be applied to the most recent values for crops in Nebraska. The estimated damage equals \$81,025,950.00. Since the estimate of \$619 million isn't broken out by crop types, nor are all field crops accounted for in NASS/USDA data and wildlife densities in Nebraska are lower than most states this percentage and resulting value is likely an overestimate, but provides a rough idea of the potential scope, and demonstrates the potential magnitude.

<b>CROP</b>	<b>2019 VALUE</b>	<b>DAMAGE AT 0.75%</b>
CORN, GRAIN	\$ 6,784,596,000.00	\$ 50,884,470.0000
SOYBEANS	\$ 2,378,376,000.00	\$ 17,837,820.0000
HAY & HAYLAGE	\$ 632,346,000.00	\$ 4,742,595.0000
HAY	\$ 614,900,000.00	\$ 4,611,750.0000
WHEAT	\$ 210,102,000.00	\$ 1,575,765.0000
POTATOES	\$ 109,383,000.00	\$ 820,372.5000
SORGHUM, GRAIN	\$ 39,607,000.00	\$ 297,052.5000
MILLET, PROSO	\$ 15,411,000.00	\$ 115,582.5000
SUNFLOWER	\$ 8,067,000.00	\$ 60,502.5000
PEAS, DRY EDIBLE	\$ 7,270,000.00	\$ 54,525.0000
OATS	\$ 3,402,000.00	\$ 25,515.0000
<b>TOTAL</b>	<b>\$ 10,803,460,000.00</b>	<b>\$ 81,025,950.00</b>

Since this legislation is not limited to agricultural crops, deer vehicle collisions would need to be included at an estimated 2,700 hits/year (according to the NDOT) at an average expense of \$2,700 (source: National Insurance report) equals \$7,290,000.00.

Damage to fences and stored crops from game animals are not addressed as there is currently no data to extrapolate. Other damage could include losses to livestock due to predation by mountain lions. The Commission has averaged 3.7 confirmed mountain lion depredations in the last 3 years (a total of 11 animals). The depredation has occurred on goats and chickens. On average the losses have been \$684/year. Other estimates of game animal damage to livestock is unknown and not estimated.

Other damage that the Commission was not able to estimate include wildlife damage in urban or suburban settings, examples would include ornamental trees, vegetable gardens, pet loss and structural damage.

The following chart itemizes the potential expenses involved in implementation of the proposed legislation assuming an effective date of July 1, 2021:

	HRLY/base	ANNUAL	1X start up	NOTES
Admin Assistant I (x1)	15.861	\$32,990.88		Min Perm rate
Benefits (OASDI)	0.0765	\$2,523.80		
Benefits (Retire)	0.075	\$2,474.32		
Benefits (Insurance)	\$25,290.50	\$25,290.50		family coverage
NEW computer	\$2,000		\$2,000	replace these on a three year cycle- so we would need to budget annually
OnX Map	\$20	\$20		
Cell phone- start up cost	\$500		\$500	phones last about 2 years would need to budget annually
Cell phone- annual cost	50	\$600.00		got the cost for one person's phone to use as an example
Uniform	\$200		\$200	WL gives all new employees \$200 in new uniform when they start. Periodically we do a division wide reorder - every couple of years
phone lines/internet charges	\$200	\$2,000.00		
OCIO/Email charges mo	60	\$720.00		per IT from 2020
GIS annual	\$1,300	\$1,300.00		we are going to a more expensive GIS so likely higher.
Printers	\$400		\$400	printers last 2-3 years so would need to annually allow for replacements
annual operating	\$2,000	\$2,000.00		to replace consumable items; computers/ printers/ office supplies
Damage payments		\$88,316,634		Crops, deer/vehicle collisions, livestock damage, see explanation in LB469
Crop Appraiser (certified agronomist)	\$400/quarter section inspected	\$29,287,200		Based on 2019 harvested acres of corn, beans and wheat and 75% having some sort of damage
Certified livestock inspector (Vetrinarian)	based on \$150/hour	\$36,000		Based on 30 mt lion investigations per year at 8 hours per investigation.
Real Estate Appraiser	\$800/quarter acre			Indeterminate
		\$117,709,753.50	\$3,100	\$117,712,853.50

Since no funding source is identified and the limitations on cash funds and effect on federal funding, costs are identified as general funds and an A bill would be requested.