

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(\$472,068)		(\$786,779)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$472,068)		(\$786,779)

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

LB 1036 would allow the Nebraska Game and Parks Commission (NGPC) to issue free annual combination permits for fishing, fur-harvesting, and hunting, including the habitat, aquatic habitat, and migratory waterfowl stamps, to resident veterans (separated or discharged under honorable conditions), resident active, or reserved duty military personnel.

Expenditures:

The NGPC would have minimal permit system programming expenses necessary to accommodate this change, which could be absorbed within the agency’s existing appropriations.

Revenues:

The NGPC has estimated a potential total loss of cash fund revenue in FY2024-25 of (\$472,068), with associated losses from the Game Cash Fund, Aquatic Habitat Cash Fund, and Habitat Cash Fund. The total projected loss in FY2025-26 from these cash funds would be (\$786,779).

FY2024-25 REVENUE LOSS		FY2025-26 REVENUE LOSS	
GAME CASH FUND est.	\$ (219,417)	GAME CASH FUND est.	\$ (365,895)
AQUATIC HABITAT CASH FUND est.	\$ (99,892)	AQUATIC HABITAT CASH FUND est.	\$ (166,488)
HABITAT CASH FUND est.	\$ (152,759)	HABITAT CASH FUND est.	\$ (254,598)
TOTAL REVENUE LOSS est.	\$ (472,068)	TOTAL REVENUE LOSS est.	\$ (786,779)

The NGPC has estimated these losses based on an assumed number of applicants, by utilizing the percentages of Nebraska residents who are either veterans or active-duty military currently. These percentages were used in combination with the current fees for similar permits. This appears to be a reasonable way of estimating the number of potential applicants and revenue losses

Additionally, there would be future losses to federal funds the agency would receive three years in the future, and each subsequent year. NGPC participates in both the Federal Aid in Wildlife Restoration Program and Federal Aid in Sport Fish Restoration Program. One of the factors which goes into the federal fund formula is the permit sales for both certified hunting license holders and certified fishing license holders respectively. The federal aid allotted to the agency is based on the sales three years in the past. Hence, calendar year 2025 revenue losses due to free permits (free does not count as an actual sale), would equate to federal funds losses each fiscal year beginning in fiscal year 2028. The estimated federal fund loss per certified hunting license holder is (\$104.15), and approximate loss per certified fishing license holder is (\$20.72). With an anticipated 27,496 combined hunting and fishing permits (based off 2023 total sales), being free in CY2025, the federal fund revenue loss in FY2027-28 is estimated at (\$1,256,972). There is no basis to disagree with this estimation of future federal aid losses from these two programs.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1036 AM: AGENCY/POLT. SUB: Game and Parks Commission

REVIEWED BY: Jacob Leaver DATE: 1/19/2024 PHONE: (402) 471-4173

COMMENTS: Concur with the Game and Parks Commission's estimated fiscal impact to the agency as a result of LB 1036.

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2024

LB⁽¹⁾ 1036 Combo Permit and Stamp Resident Military Veteran

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kay Menci Date Prepared: ⁽⁴⁾ 01/11/2024 Phone: ⁽⁵⁾ 402-471-5189

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	<u>(472,068)</u>	_____	<u>(786,779)</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(472,068)</u>	<u>_____</u>	<u>(786,779)</u>

Explanation of Estimate:

The legislation as proposed would have the Commission establish a free (fee exempt) resident annual Veteran or Active-Duty Combination (Fish/ Hunt/Fur Harvest) permit to include all state stamps.

If enacted, the number of individuals eligible for fee-exempt permits would increase and have a negative impact on current agency revenue. According to the US Census Bureau in 2022, it is estimated 7.1% of the population in Nebraska are veterans and Active-Duty military is estimated at 1%. To determine the fiscal impact of this proposal, calculations used 7.1% and 1% of the similar or like resident permits sold in 2023 to determine the potential qualified Veterans and Active Military who would receive the free permit in lieu of purchasing a permit.

The fiscal impact of this proposal is dependent upon the number of individuals that would apply for the permit that would normally purchase a five-dollar resident annual Veteran Combination permit including all state stamps or any other permit or stamp that would represent lost revenue should they opt for the new fee-exempt permit.

Assuming the number of resident veterans purchasing the five dollar combination with state stamps permits and park entry permit is representative of qualifying individuals that purchased similar permits in 2023 the potential net loss in FY24-25 to the Game Fund would be approximately (\$219,417), Aquatic Habitat Fund (\$99,892), and Habitat Cash Fund (\$152,759); and, for FY25-26 the potential net loss Game Fund would be approximately (\$365,695), Aquatic Habitat Fund (\$166,486), and Habitat Cash Fund (\$254,598).

The actual Cash Fund impact could be more or less depending upon the purchasing pattern of the eligible individuals that apply for the permit.

<u>FY 2024-25</u>			<u>FY 2025-26</u>		
<u>CY25 Only – 60% of FY25-26</u>					
23320 Game Cash Fund	\$	(219,417)	23320 Game Cash Fund	\$	(365,695)
23410 Aquatic Habitat Cash Fund	\$	(99,892)	23410 Aquatic Habitat Cash Fund	\$	(166,486)
23340 Habitat Cash Fund	\$	(152,759)	23340 Habitat Cash Fund	\$	(254,598)
Total Cash Fund Revenue Loss	\$	(472,068)	Total Cash Fund Revenue Loss	\$	(786,779)
NET Revenue Gain/Loss	\$	(472,068)	NET Revenue Gain/Loss	\$	(786,779)

Fee exempt permits also result in a loss of federal funds. Nebraska has participated in the Federal Aid in Wildlife Restoration and Federal Aid in Sport Fish Restoration programs since their conception in 1937 and 1950 respectively. Annual apportionments are allocated to the state according to prescribed formulas. The number of certified license holders is a significant component of each program formula. Fee-exempt permit holders cannot be included in the certification process.

The Federal apportionment is based on permit sales three years prior. Apportionment for the CY 2025 licenses would not be recognized until the Federal FY 2028. Because of this timing, there is not potential revenue offset FY24-25 or FY25-26. Based on data for 2023, each certified hunting license holder increased Nebraska’s share of Wildlife Restoration funds by \$104.15 and each certified fishing license holder increased the State’s share of Sport Fish Restoration funds by \$20.72. Thus, if the 27,496 individuals are shifted from the paid license holder category to the fee-exempt license holder category for CY 2025, **Federal revenue (\$1,256,972) would be lost annually.**

Some permit system change expenditures may be necessary to accommodate this change, but they are thought to be minimal.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25 EXPENDITURES</u>	<u>2025-26 EXPENDITURES</u>
	<u>24-25</u>	<u>25-26</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits			_____	_____
Operating			_____	_____
Travel			_____	_____
Capital outlay			_____	_____
Aid			_____	_____
Capital improvements			_____	_____
TOTAL			_____	_____