

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$1,329,799	(\$1,054,548 - \$5,727,740) (\$86,975)	\$1,073,321	(\$1,054,548 - \$5,727,740) (\$86,975)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 126 proposes to provide the Game and Parks Commission with authority to issue up to four (4) free firearm deer hunting permits valid for seven (7) days prior to the beginning date of the deer firearm season, to any landowner and designated members of their family if the landowner consents to make at least 50 percent of their farm/ranch land located in any single commission designated deer management unit available for public hunting during the firearm deer hunting season.

In order to validate the consent made by a landowner as described above, the Commission would be required to develop a form that landowners complete to provide the legal description of the land that will be made available to the public during the deer firearm season. The Commission is also required to publish the location of said land on their web site.

The Commission has prepared a detailed fiscal note (see below) that addresses the various impacts on expenditures and revenue associated with the provisions of LB 126. After review of the fiscal note, there are assumptions that ought to be noted:

- It is not clear whether the provisions of the bill allow for four (4) total permits to be issued amongst the landowner and their immediate family or if each landowner and each immediate family member is eligible to be issued up to (four (4) permits. The estimates in lost revenue provided assume all Landowner permits issued in 2018 represent qualifying land owners for the free permits utilizing the method of each landowner and immediate family member individually qualifying for up to four (4) free permits. If the free permits are limited to four (4) total amongst all landowners and their immediate family, the total revenue loss would be one-fifth of the projected loss if each qualifying individual were to be issued four (4) permits. This variance is reflected as a range in cash fund revenue.
- It is assumed that 50 percent of landowners and their immediate family would no longer purchase a permit due to the receipt of a free permit(s) and will not purchase another type of hunting permit thereby resulting in a loss of federal revenue provided by the Fish and Wildlife Restoration Program.
- The fiscal note provided by the agency indicates there would be associated costs with enforcement, signage to be posted on enrolled lands, and corresponding staffing costs. LB 126 has no provision that addresses these items.
- Full-time staffing costs for district offices/service centers to verify eligibility and landownership as well as assisting with registry updates throughout the year.

There is no basis to disagree with the Commission's fiscal impact determination.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 126	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission
REVIEWED BY: Claire Oglesby	DATE: 1/22/19	PHONE: (402) 471-4174
COMMENTS: Nebraska Game and Parks Commission's statement appears reasonable based on the assumptions provided.		

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

2019

LB⁽¹⁾ 126 REVISED 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⁾ 1/14/19 Phone: ⁽⁵⁾ 402-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$1,329,799	(\$5,727,740) (\$86,975)	\$1,073,321	(\$5,727,740) (\$86,975)
FEDERAL FUNDS		(\$9,756,507)		(\$9,756,507)
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,329,799</u>	<u>(\$15,571,222)</u>	<u>\$1,073,321</u>	<u>(\$15,571,222)</u>

Explanation of Estimate:

The legislation proposes to make up to four free firearm deer hunting permits to hunt deer prior to the regular deer firearm season to any qualifying landowner **and** designated immediate family members. The qualifying factor would entail opening up 50% or more of their land to public deer hunting during the regular firearm season. The designated open land would need to be reported to the Commission in writing for publication on the agency's website.

The description of the free permits do not clearly indicate that they are 'landowner' type or 'regular' type to determine value so both will be shown. 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 free permits could account for potential lost revenue as illustrated below, assuming owner is married and has 2 children and 2 siblings, if each got 4.

	QTY LO's	Assume owner + 5 more			POTENTIAL LOST REVENUE	
		FREE	REGULAR	Landowner	REGULAR	Landowner
Resident	13,430	20	\$ 34.00	\$ 17.00	\$ 9,132,400.00	\$ 4,566,200.00
Nonresident	486	20	\$ 239.00	\$ 119.50	\$ 2,323,080.00	\$ 1,161,540.00
TOTAL	13,916				\$ 11,455,480.00	\$ 5,727,740.00

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BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2019-20	2020-21
	19-20	20-21	EXPENDITURES	EXPENDITURES
Conservation Tech II (6 – 0.5 FTE)	6	6	\$85,213	\$85,213
GIS Analyst (8 for 1 month)	8	8	\$31,994	\$31,994
Conservation Officer	2	2	\$90,854	\$90,854
Accounting Clerk II	7	7	\$201,772	\$201,772
Benefits			\$272,646	\$272,646
Operating			\$390,842	\$390,842
Travel				
Capital outlay			231,478	
Aid compute prog			25,000	
Capital improvements				
TOTAL			\$1,329,799	\$1,073,321

LB⁽¹⁾ 126 special landowner deer hunting permits

The estimates provided assume all Landowner permits issued in 2018 represent qualifying landowners for the free permits. If the free permits are limited to 4 (owner and 4 designees getting 1 each), the previous figure would be 1/5 of the estimate shown.

Certainly a major unknown factor and qualifying necessity is the opening of land to public access. The advantage of additional free permits may entice more to consider participation than would normally be expected especially considering the agency has over 250,000 acres enrolled in its Open-Fields and Waters (OFW) program. Value of the free permits versus payment in OFW would be considered by the landowner as well as the agency for eligibility/participation decisions. For purposes of this note it will be assumed all participate.

As free permits, there would be no revenue gain even 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. Using the figures above with 20 free permits per current landowner permit (13,916 x 20) some 278,320 free permits could result in a potential loss of \$19,513,015. Since most hunters only purchase 1 deer permit it could be assumed that the free deer permit would be their only permit. If we assume at least 50% of them purchase another kind of hunting permit so they would be counted for federal aid, then the potential loss would also be reduced (\$9,756,507).

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 a upland hunting permit and would thus need a stamp for that permit. If we assume the free permits are 'landowner' type in terms of fee value and confined to their property then a habitat stamp would likely not be necessary. Assuming 75% of the 13,916 recipients have another hunting permit that requires a stamp, so 25% or 3,479 would need one under normal conditions, the Habitat Fund could see a loss of (3,479 x \$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 week 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.

Additional staff would be necessary to gather, publish, and post/sign participant land access as well as process the free permits. For purposes of this note one temporary Conservation Technician I for each of the districts/service center areas (6) for 6 months each will be used. Certainly the number of participants and size/complexity of land descriptions would impact this. A technician receives \$13.656/hr so 6 x 1040hrs x \$13.656 = \$85,213 for wages plus FICA at 7.25% \$6,178. Costs for signs (est \$4.95 ea) and sign posts (est \$ 5.95 ea) for 6,958 tracts (1/2 of the 13,916 permit holders) assuming minimum 4 signs per tract would require approximately \$303,368 in materials annually (assumes minimal reuse of material). Extra fuel, mileage on existing trucks is estimated to be \$13,300 (100,000 miles, 15mpg, \$2/gal). In order to get all the signs posted in a timely fashion, an additional two trucks would be needed (at \$29,343/vehicle) for an extended cab ½ ton truck, a total of \$58,686.

Additional staff would be needed to digitize the sites open to public hunting for publication on the agency website. Assuming 6,958 tracts need to be digitize in one month, eight (8) GIS Analysts would be needed, at a cost of \$23.165/hr, so 8 analysts x month = \$31,994 for wages plus FICA at 7.25% \$2,320. Seven ArcGIS Basic Licenses (\$1,350/license) and 1 Arc GIS Advanced license (\$4,200) would be needed for the digitizing, 7 x \$1,350 + \$4200 = \$13,650 for software on existing computers.

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LB⁽¹⁾ 126 special landowner deer hunting permits

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 registry updates as land changes hands throughout the year. For purposes of this note we will classify them as Accounting Clerk II's (\$13.858 x 2080 hours x 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 x 7). Total estimated cost \$406,911 in each year plus an additional \$21,000 in year one.

The implementation of a more sophisticated registration/verification system not currently employed to assist in detecting false reporting/qualifying would be necessary. Development programming fees and testing time are estimated at \$25,000.

Posting the access areas (similar to OFW) would be a necessity that would also require additional law enforcement efforts to respond to potential trespass issues associated with hunters mistaking open land locations. Additionally the 7 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 free permits in the mix would 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:

				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	\$ 21,000		\$ 406,911
Conservation Officer	2	1	\$ 21.840	\$ 90,854	\$ 6,814	\$ 6,587		\$ 49,108	\$ 57,024	\$ 151,792		\$ 210,387
Conservation Tech I	6	0.5	\$ 13.656	\$ 85,213		\$ 6,178			\$316,668	\$ 58,686		\$ 408,059
GIS Analysts	8	0.083	\$ 23.165	\$ 31,994		\$ 2,320			\$ 13,650			\$ 47,963
										\$ 231,478		\$1,073,321