

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$815,090	(\$85,916)	\$815,090	(\$85,916)
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 127 expands the definition of “immediate family” with regard to the ability of the agency to issue limited permits for deer, antelope, wild turkey, and elk to qualifying landowners or leaseholders and their immediate family.

Currently, immediate family means “a husband and wife and their children or siblings sharing ownership in the property”. The proposed changes will include the following individuals as immediate family:

1. Individual and spouse
2. Sibling or sibling’s spouse of those listed under number one (1) if the sibling has ownership in the property
3. Any child or grandchild of number one (1)
4. Any spouse of those individuals listed under number three (3)

A fiscal impact is expected in the area of fee’s collected for permits as well as staffing costs. The Commission has provided a detailed synopsis (see below) of the possible effects on revenue derived from deer permit fees and costs associated with carrying out the intent of the bill.

Included in the Commissions fiscal note are the following assumptions that ought to be noted:

- It is expected individuals who will be eligible for the less costly limited permit (\$17) under the proposed expanded definition of immediate family were individuals who previously purchased a regular non-limited permit (\$34) and will no longer do so.
- One (1) additional staff member will be necessary in each of the district offices/service centers (7) to verify eligibility and landownership and assist with registry updates as land ownership changes throughout the year.
- Costs for enforcement and a registration/verification system are included, LB 127 has no provision that addresses these matters.

If it is assumed that the seven (7) additional staff in the district offices/service centers will need to be full-time employees, and that additional enforcement efforts are required, then there is no basis to disagree with the Commission’s fiscal impact determination.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>	
LB: 127      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<sup>(1)</sup> 127** Definition of immediate family for Landowner permits

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Game and Parks Commission

Prepared by: <sup>(3)</sup> Patrick Cole Date Prepared: <sup>(4)</sup> 1/14/19 Phone: <sup>(5)</sup> 402-471-5523

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$815,090	(\$85,916)	\$617,298	(\$85,916)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$815,090</u>	<u>(\$85,916)</u>	<u>\$617,298</u>	<u>(\$85,916)</u>

**Explanation of Estimate:**

The proposed legislation would expand the definition of immediate family members eligible for limited landowner permits for deer, turkey, antelope and elk. Current definition limits to owner/lease holder, their spouse and children or siblings sharing ownership in the property. Additions include children's spouses, grandchildren and their spouses. This could be an exponential increase in eligible applicants depending upon size of family. Using average family with 2 children (current/proposed) 1 married owner (2/2) with 2 married sibling sharing ownership (2/4, and 2 married child (2/4) with 2 married grandchild (0/4). Under basic 'single child' example currently 6 qualifying applicants could exist. This could increase by 8 under the proposed expansion, or exponentially based on the actual number of children/grandchildren.

The number of permits authorized are limited by acres owned or leased 1 per 80 acres for deer, turkey and antelope, and 1 per 320 acres per elk (Nonresidents are higher). In the case of antelope and elk the number of landowner permits is restricted to a quota and require a draw application. Deer and turkey landowner permits have an unlimited quota thus the limiting factor is acres owned.

The potential of fiscal impact rests primarily of a shift from an individual buying a regular permit (2x cost of landowner) to a landowner permit due to new qualifications. Current analysis related to deer hunters indicates that the majority of all deer hunters only purchase a single permit (84% of landowner permit holders only buy a single landowner permit and 70% of regular permit buyers), This would be revenue negative for deer and turkey but high demand and low quota for elk and antelope make that less likely.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Accounting clerk II	7	7	\$201,772	\$201,772
Conservation Officer	2	2	\$90,854	\$90,854
Benefits.....			\$264,148	\$264,148
Operating.....			\$60,524	\$60,524
Travel.....				
Capital outlay.....			\$172,792	
Aid.....	Compute	prog	25,000	
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$815,090</u>	<u>\$617,298</u>

**LB<sup>(1)</sup> 127 Definition of immediate family for Landowner permits**

Of Nebraska’s 49.1 million acres, 45.2 are said to be comprised of farms and ranches (nda.nebraska.gov/facts). Of the 30.1 million acres identified in the agency’s landowner permit descriptions (does not account for duplicates) 12.9 million were applied to 2018 Landowner deer permits. Using 80 acres for residents and 320 for nonresidents (assuming no duplicates), as applied for, approximately 1,874 nonresident permits could have been issued and 154,531 resident permits. Actual landowner deer permits issued were 486 nonresidents and 13,430 residents (through end of December). While adequate data details are not available to fully assess, it appears that there would be room to expand the issuance of landowner deer permits, so expanding the definition of immediate family would increase landowner permit sales, but presumably at some expense to regular permits.

For purposes of this fiscal note the following scenario will be used related to Deer permits: Owner/Spouse + 2child/spouse + 2grandchild/spouse + 2sibling/spouse and enough land that all could get permits. The underlined individuals would be added to the current eligible members so eligibility increases 2.3X from 6 to 14.

The assumption is the current number of permits issued (13,916) is reflective of all of the now qualifying individuals. So increasing the number of qualifying individuals by 2.3 would increase the permit sales by 2.3 or 32,007. Assuming the newly eligible would normally purchase a regular permit the net revenue loss would be \$85,916.

	2018	2.3x		2.3 x LO now		Permit Fee		QTY x LO fee		new-current QTY x reg\$	NET
		Qualifiers		Est New	Permit Fee		QTY x LO fee				
		QTY LO's	Now	New	NEW QTY	Landowner	REGULAR	\$ Now	under New	New shift	
Resident	13,430	6	14	30,889	\$ 17.00	\$ 34.00	\$228,310	\$525,113	(\$593,606)	(\$68,493)	
Nonresident	486	6	14	1,118	\$ 119.50	\$ 239.00	\$58,077	\$133,577	(\$151,000)	(\$17,423)	
<b>TOTAL</b>	<b>13,916</b>			<b>32,007</b>			<b>\$ 286,387</b>	<b>\$ 658,690</b>	<b>\$ (744,606)</b>	<b>\$ (85,916)</b>	

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

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.

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:**

Position	QTY	FTE/each	Wage	2080 hrs Annual	7.50% Retirement	7.25% FICA	Life Insur	24553.9 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	<b>\$ 406,911</b>
Conservation Officer	2	1	\$ 21,840	\$ 90,854	\$ 6,814	\$ 6,587		\$ 49,108	\$ 57,024	\$ 151,792	<b>\$ 210,387</b>
										<b>\$ 172,792</b>	<b>\$ 617,298</b>