

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$27,561	\$602,959	\$50,297	\$602,959
FEDERAL FUNDS	(\$1,267,434)	(\$1,267,434)	(\$1,267,434)	(\$1,267,434)
OTHER FUNDS				
TOTAL FUNDS	(\$1,239,873)	(\$664,475)	(\$1,217,137)	(\$664,475)

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

LB336 establishes a non-resident limited and regular permit. The limited permits will be valid for entry into all areas throughout the state which require a permit for entry, except Lake McConaughy and Lake Ogallala State Recreation Areas. The regular permit would be valid for all areas throughout the state which require a permit for entry.

The fee for a non-resident annual limited permit would not be less than the fee for a resident annual permit and not more than \$65. The fee for a non-resident regular permit would be \$80 and \$40 for a duplicate. A non-resident Temporary Limited Permit would be \$12. The non-resident Temporary Regular Permit would be \$15.

The bill also directs that not less than 95% of the difference between the amount of the fee charged for a non-resident annual/temporary limited permit and non-resident annual/temporary regular permit be designated for use to help defray operation, maintenance, and improvement costs at Lake McConaughy and Lake Ogallala State Recreation Areas.

The Nebraska Game and Parks Commission (NGPC) has provided a detailed synopsis with multiple analysis. For the purposes of this fiscal note, the analysis will be limited to the bill as written. Based on the NGPC's estimates using data for non-resident permits sold the past three (3) years from the two State Recreation Area's and permit agents within an approximate 40 mile radius of the lakes, there would be a revenue increase of \$602,959 each fiscal year.

The NGPC also indicates additional expenses would be incurred for an additional three (3) seasonal park staff and the production cost of the new version of the permit. The expenditures for FY22 are reflective of a partial fiscal year due to an assumption of an effective date starting in January 2022.

The NGPC fiscal note also discusses potential issues due to requirements of the federal Land and Water Conservation Act that requires a permit fee structure that within the thresholds delineated in the act, does not discriminate on the basis of residence. If the agency is in non-compliance with this provision of the act, they are ineligible to receive federal funding under the act. The FFY21 allocation to the state of Nebraska is a base amount of \$3,168,586, this amount is being used as a SFY amount for demonstrative purposes. 40 percent of this total (\$1,267,434) would be the revenue lost by the NGPC and 60 percent would be lost by local entities (\$1,901,152). The NGPC would presumably reduce federal expenditures by the same amount as a result of the loss of federal funding as would local entities.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 336	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY: Claire Oglesby	DATE: 1/25/21	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.

**2021**

**LB<sup>(1)</sup>** 336 limited nonresident motor vehicle park entry permit

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Patrick H. Cole Date Prepared: <sup>(4)</sup> 1/21/2021 Phone: <sup>(5)</sup> (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				
CASH FUNDS	\$27,561	\$328,000 *	\$50,297	\$328,000 *
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$27,561</b>	<b>\$328,000 *</b>	<b>\$50,297</b>	<b>\$328,000 *</b>

Explanation of Estimate: Currently the Nebraska Game and Parks Commission offers three types of permits, annual, temporary (daily) and a free resident disabled veteran. The annual and temporary come as either a nonresident licensed motor vehicle version (2021 fees \$45; \$8) or a resident licensed motor vehicle version (2021 fees \$30, \$6). A duplicate annual permit is available for each at half the price of a regular annual. All permits allow for the entry at all commission areas that require a permit. The proposed legislation would create a new nonresident version that would limit access to all areas except Lake McConaughy and Lake Ogallala State Recreation Areas (SRA's). Assumption is to be effective in 2022.

The nonresident limited version (Annual, daily and duplicate annual) would essentially replace the current nonresident permits at existing fees and exclude entry to Lake McConaughy and Lake Ogallala. A 'regular' nonresident version (Annual, daily and duplicate annual) would allow access to all areas at established fees of \$80, \$15 and \$40 respectively). Thus, nonresident licensed motor vehicles desiring to be able to enter Lake McConaughy and/or Lake Ogallala would have to purchase the new higher priced regular permit as opposed to the 'limited' permit that would be at existing fees. The differentiation does not apply to resident versions.

As proposed full access to all parks would cost nonresident licensed motor vehicles \$80 for an annual permit, \$15 for a daily, and \$40 for a duplicate annual as opposed to the limited access permit which currently costs \$45, \$8 and \$22.50 respectively. Not less than ninety five percent of the difference in fees (NR limited vs NR Regular) of \$35 for an annual, \$7 for a daily and \$17.50 for a duplicate annual, is to be earmarked for work at Lake McConaughy and Lake Ogallala. HOWEVER, the agency's use of federal Land and Water Conservation Funds (LWCF) on the areas places some restrictions on nonresident pricing which may require an adjustment  
(CONTINUED)

**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>
Temp Park Worker III	3 (2mo)	3 (5 mo)	\$11,880	\$33,000
Benefits.....			\$ 909	\$ 2,525
Operating.....			\$14,772	\$14,772
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$27,561</b>	<b>\$50,297</b>

to the proposed amounts of \$80 and \$15 (annual/daily). The following LWCF language would require the fee to be no more than twice the fee for a resident permit. At the current \$30 and \$6 resident rate that would maximize the regular NR permit fee at \$60/annual and \$12/daily.

**“Discrimination on the basis of residence.** Section 6(f)(8) of the LWCF Act provides, with respect to property acquired and/or developed with LWCF assistance, discrimination on the basis of residence, including preferential reservation, membership or annual permit systems is prohibited except to the extent reasonable differences in admission and other fees may be maintained on the basis of residence. **Fees charged to nonresidents cannot exceed twice the amount charged to residents.** Where there is no charge for residents, but a fee is charged to nonresidents, nonresident fees cannot exceed fees charged for residents at comparable state or local public facilities. Reservation, membership or annual permit systems available to residents must also be available to nonresidents and the period of availability must be the same for both residents and nonresidents.

Analysis will use both the proposed \$80 and the apparent current maximum of \$60 (and \$12 for daily). Current statutes provides for the resident permit to be priced up to \$35 so there may be room for increase depending upon the wording.

Actual nonresident visitation numbers at Lake McConaughy and Lake Ogallala are difficult to determine. The following table uses three years of nonresident park entry permit sales from the two SRA’s and permit agents within an approximate 40 mile radius of the lakes as an estimate of the number of ‘regular’ permits that might be sold and the fiscal impact.

YEAR	Iron Ranger- Nonresident Daily	Non-Nebraska Licensed- Annual Park	Non-Nebraska Licensed- Daily Park	Non-Nebraska Licensed- Duplicate Annual Park	Grand Total
2018	9,520	2,680	37,693	1,199	51,092
2019	11,402	2,577	38,470	1,344	53,793
2020	11,363	2,881	99,952	1,182	115,378
<b>Grand Total</b>	<b>32,285</b>	<b>8,138</b>	<b>176,115</b>	<b>3,725</b>	<b>220,263</b>
AVERAGE QTY	10,762	2,713	58,705	1,242	73,421
<b>At \$80.00 fee</b>					
FEEDIFF Reg vs Limited	\$ 7.00	\$ 35.00	\$ 7.00	\$ 17.50	
INCREASE REV	\$ 75,334.00	\$ 94,955.00	\$ 410,935.00	\$ 21,735.00	\$ 602,959.00
				95%	\$ 572,811.05
<b>LWCF limit</b>					
<b>At \$60.00 fee</b>					
FEEDIFF Reg vs Limited	\$ 4.00	\$ 15.00	\$ 4.00	\$ 7.50	
INCREASE REV	\$ 43,048.00	\$ 40,695.00	\$ 234,820.00	\$ 9,315.00	\$ 327,878.00
				95%	\$ 311,484.10

Based on history and assuming limited decrease in visitation due to the increased fee, an increase of approximately \$603,000 in revenue could be realized under the proposed legislation, **HOWEVER due to the LWCF limitations that would be held closer to \$328,000 (which is the projection used here) \***.

Creating a new version of an existing permit will also add costs to the agency. Some costs are more readily identifiable than others. The ones that will be difficult to quantify are administrative burdens associated with enforcement, sales mistakes/corrections and subsequent receipt reconciliation, and training agents all of which may necessitate additional FTE’s. A minimum of three additional seasonal Park Worker III’s is anticipated for the period of May 1 to October 1 (25 weeks at 40hrs/wk at \$11/hr x 3 +OSADI) at an estimated cost of \$35,500.

The production cost of the new version of the permit varieties (annual, daily, duplicate annual) are anticipated to be equal to the existing nonresident version since actual demand is unknown and an adequate supply at each agent location must be maintained. Current years printing costs totaled \$13,822 (Non-Nebraska Annual-BookQty- 1000- \$4725.00 ; Non-Nebraska Duplicate- BookQty- 1000 \$4612.00; Non-Nebraska Daily- BookQty- 3000 \$4485.00. New iron-ranger drop box envelopes are estimated to cost approximately \$950.