

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$500,000	
CASH FUNDS			\$221,940	\$38,631
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$721,940	\$38,631

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

LB400 creates the Nebraska Pheasant Restoration Act to help restore the ringed neck pheasant game bird population in Nebraska. This bill creates the Nest Predator Bounty Program to help control the population of badgers, coyotes, opossums, raccoons, red foxes, and striped skunks. During the bounty season from March 1st through July 1st, harvested nest predators may be collected at published locations determined by the Nebraska Game and Parks for a ten-dollar bounty per nest predator. The bounty claiming will end by July 7th each year, with a maximum of fifty thousand nest predator bounties to be paid each year (\$500,000 limit). This Nest Predator Bounty Program is open to those sixteen years of age and older, who possess an unexpired fur-harvesting permit and habitat stamp.

Expenditures:

The Nebraska Game and Parks Commission (NGPC) has indicated they would need to hire six additional part-time Conservation Technician II positions, one for each of the six district offices/service centers where the 50,000 nest predator tails would be collected. Plus, they would need one additional part-time Accountant I at the Lincoln Headquarters for the payment processing associated with the estimated \$500,000 in bounties paid each year. The total salary and benefits estimated for the hiring of these seven part-time staff would be \$212,940 in FY2024-25. Plus, there would be an additional capital outlay related to these seven additional part-time positions, such as laptops, of \$9,000 in FY2024-25.

The NGPC has provided the average harvesting numbers of the listed nest predator species identified in LB400. Over a five-year span between 2017 and 2021, 156,000 nest predator species were harvested on average each year. This is over three-times the capped number of 50,000 yearly for which bounties would be paid if LB400 were to pass. Hence, we can safely assume that all of the \$500,000 in bounties would be paid out yearly.

LB400 does not specify the source of the funding for the \$500,000 in bounties, as such we assume use of general funds. NGPC is stating that the Game cash fund cannot be used to pay these bounties, as the use of Game cash funds as payment 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 Wildlife and Sport Fish Restoration (WSFR) Programs with the U.S. Fish and Wildlife Service. Hence, Game cash funds could not be used as it would result in the loss of federal funding of the WSFR Programs (see NGPC fiscal note attached for more detailed information).

Revenues:

The NGPC has estimated new revenue may be created from the sale of additional Resident Fur Harvest permits and Habitat Stamps if LB400 were to pass. NGPC is assuming a 30% increase in Resident Fur Harvest permit sales and a 10% increase in Habitat Stamps sales (over the 4,891 Resident Fur Harvest permits issued during calendar year 2022). The new Habitat Stamp sales is expected to be lower than the Resident Fur Harvest permit sales, because many hunters would already have purchased this stamp with their usual hunt/big game permits. The projected additional revenue from the Resident Fur Harvest permit sales (\$18 ea.) would be \$26,406 per year (4,891x30%=1,467x\$18=\$26,406). While, the anticipated new sales of the Habitat Stamps (\$25 ea.) would be \$12,225 per year (4,891x10%=489x\$25=\$12,225). The combined estimated increase from both the new permit and new stamp sales would be an increase of \$38,631 each year (\$26,406+\$12,225=\$38,631).

The estimate provided by NGPC seems reasonable, given the assumptions used.

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

LB: 400 AM: AGENCY/POLT. SUB: Nebraska Game and Parks Commission

REVIEWED BY: Jacob Leaver DATE: 1/25/2023 PHONE: (402) 471-4173

COMMENTS: The Nebraska Game and Parks Commission's estimated fiscal impact to the commission seems reasonable as a result of LB 400.

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2023

LB⁽¹⁾ 400 – Pheasant Restoration Act

FISCAL NOTE

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

Prepared by: ⁽³⁾ Christina Peters Date Prepared: ⁽⁴⁾ 1/24/2023 Phone: ⁽⁵⁾ (402) 471-5403

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	500,000	_____
CASH FUNDS	_____	_____	221,940	38,631
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	721,940	38,631

Explanation of Estimate:

The proposed legislation would allow persons 16 or older who possess a valid fur-harvesting permit and habitat stamp to participate in the Nest Predator Bounty Program, receiving \$10 per predator harvested between March 1 and July 1 of each year. The program is capped at 50,000 paid bounties per year.

In calendar year 2022, there were 4,891 Resident Fur Harvest permits issued. Assuming a 30% increase in permit sales, and a related 10% increase in Habitat Stamps (as a stamp would already be owned by those with a hunt or big game permit), an additional \$38,631 would be realized (4,891 * 30% = 1,467.30; 1,467 * \$18 = \$26,406) (4,891 * 10% = 489.1; 489 * \$25 = \$12,225) (\$26,406 + \$12,225 = \$38,631).

The species identified within the bill as eligible for bounty payment include badger, coyote, opossum, raccoon, red fox and striped skunk. The five-year average (2017-21) for harvesting these species, according to the Agency harvest survey, is approx. 156,000 animals. That average rate of harvest is three times greater than the target number proposed by this bounty bill. It is unclear if the incentive would increase the overall numbers of the taking of target species.

No source of the cash funds to pay the bounty is specified. None of the statutes which identify the purposes for expenditures of each of the Game and Parks Commission cash funds identify the purpose of payment of bounties. IF the Game cash fund is the intended funding source, the use of those funds as payment 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 \$376 million in federal dollars for fish and wildlife work in Nebraska since 1939. As written, 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. If the intent is to provide General Funds for this program, this would not be an issue.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
NGPC Conservation Technician II	_____	6 (PT)	_____	101,958
Accountant I	_____	1 (PT)	_____	14,921
Benefits.....	_____	_____	_____	96,061
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	9,000
Aid.....	_____	_____	_____	500,000
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	721,940

The collection of the tails would take place at the District Offices and Service Centers. Additional Part-time staff would be needed to handle the increased workload. A 6-month Conservation Technician II position ($\$16,339 * 1040 = \$16,993$) would be set up at each office ($\$16,993 * 6 = \$101,958$) with benefits (OASDI, Retirement, Insurance) and equipment (laptop).

An additional Part-Time Accountant I will be needed to process the additional payments at Lincoln Headquarters.

Considering that the funding source is not clearly identified, and sensitive to the statutory spending limitations assigned to our game cash funds regarding federal funding eligibility and reimbursement, the bill as written would preclude using game cash funds. Therefore, general funds should be considered as the funding source and an A bill would be requested. The application of game cash funds will require modification to applicable statutory language.

NGPC would need to promulgate rules and regulations prior to the first season, which would be in FY24-25.