

FISCAL NOTE
Requested by Legislative Council
01/08/2015

Amendment to: HB 1158

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$111,209		\$(14,672)
Appropriations				\$111,209		\$(14,672)

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill amends sections of the NDCC relating to the issuance of game and fish licenses; and provides an effective date. This bill would remove the mandate of county auditors to issue game and fish licenses and to appoint agents.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The department would need to hire one new FTE and would have increased on-going operating costs and a one-time programming cost. This bill would also eliminate the cost of commissions paid to county auditors, which is currently a standing and continuing appropriation from the game and fish fund. After the first year, it would result in a slight decrease of our expenditures.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None anticipated.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The department would need to hire one new FTE, effective July 1, 2015. Currently county auditors are responsible for appointing the agents, bonding them, collecting revenue, issuing them license tags and guides, and answering questions. The 53 county auditors manage approx. 400 agents across the state. If county auditors no longer sell Game and Fish licenses and manage the agents, this entire responsibility would be on the department's licensing section which only consists of 4 Licensing Specialists. It would not be possible for Game and Fish to manage approx. 400 agents, at the current staffing level, to provide the necessary fiscal management, training of the online system, monthly correspondence, daily questions, etc. A new FTE would cost the department approximately \$108,028 salary/benefits (salary data taken from the Governor's compensation package), \$8,800 operating costs

and \$9,500 travel per biennium.

While the effective date of this bill is for the next licensing season (April 1, 2016), the new FTE would need to be hired by July 1, 2015 to allow for an orderly transition of taking over managing the agents and getting them online to issue licenses; currently there are approx. 71 agents online. This hire date only allows for approx. 8 months to put procedures in place, to have all agents bonded, and to perform online training of approx. 300 of the 400 agents. The department would want agents online for a month before the new license season begins April 1, 2016.

The proposed bill would also require one-time programming costs, in 2015-17, to our Game and Fish online licensing system of \$55,381 per a quote from ITD. This programming will setup an ACH payment collection that will sweep the agent's accounts twice a month and deposit money into the Game & Fish fund.

This bill also would decrease our expenditures by approx. \$70,500 per year because it eliminates the cost of commissions paid to county auditors. These commissions are based on license sales, so they fluctuate from year to year. The above amount is the average of the past two years of commissions paid to county auditors.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

This bill would require an additional FTE (Licensing Specialist II) in the amount of \$108,028 for salaries and benefits and \$18,300 in additional on-going operating costs totaling \$126,328 for the biennium. Plus an additional one-time expenditure in 2015-17 for programming costs for the licensing system of \$55,381. It would eliminate the commissions paid to county auditors for the issuance of licenses which is approximately \$70,500 for one year. Since the bill would not take effect until April 1, 2016 there would only be one year of savings of not paying county auditor commissions in 2015-17. After the first year, this bill would result in a slight decrease of our expenditures.

15-17: $108,028 + 18,300 + 55,381 - 70,500 = 111,209$

17-19: $108,028 + 18,300 - 141,000 = (14,672)$ Expenditure savings

Name: Kim Kary

Agency: ND Game and Fish Dept.

Telephone: 328-6605

Date Prepared: 01/21/2015