

FISCAL NOTE
Requested by Legislative Council
01/26/2015

Revised
 Bill/Resolution No.: SB 2376

- 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						\$(55,400,000)
Expenditures				\$100,000		
Appropriations						

- 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 creates lifetime hunting licenses and provides for a legislative management study. The bill would significantly reduce license sales revenue and would have a negative effect on the private land open to sportsmen program (PLOTS) revenue.

- 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 bill would significantly reduce license sales revenue and would have a significant negative effect on the revenue for the private land habitat and access improvement fund used for the PLOTS program.

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.*

The bill would significantly reduce license sales revenue. We estimate a net potential loss of \$53.2M from annual habitat restoration stamp, small game license, and certificate fee sales over the lifetime of the license holder. Of this amount, an estimate of \$30M would be reduced from the private land habitat and access improvement fund used for the PLOTS program. The current law requires that \$8 of the \$17 habitat restoration stamp fee be allocated to the PLOTS program. This annual revenue would be eliminated if lifetime licenses were purchased.

Also, there would be a significant loss of non-resident (NR) license revenue when residents purchase a lifetime license prior to moving out of state. A resident small game license is needed for pheasant and waterfowl; however, for NR they are two separate licenses. Therefore, if a resident lifetime license was purchased and the person moves out of state, we would lose NR license revenue for small game (\$100) and waterfowl (\$100) resulting in a decrease of revenue of approx. \$2.2M per year. We included this in part 1A above.

Lifetime licenses are an unpredictable future revenue source. Our estimates are based on actual license sales for the 2013-14 hunting season. We used actuarial life tables to determine life expectancy.

The proposed bill would not take effect until the 2016 season. We do not know how many hunters would purchase the license in the first year. For simplicity, we showed the entire loss of revenue in 2017-19; even though the loss would be spread over countless future years. Since we don't know what year a hunter would purchase the lifetime license we are unable to project with any certainty which year the loss would occur.

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 proposed bill would require programming changes to the Game and Fish online licensing system. We estimate the programming changes to cost the dept. approx. \$100,000. It would take ITD a significant amount of time for these complex programming changes. Also, each individual will need to be flagged and tracked for life, which adds additional cost.

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 creates a one-time cost of \$100,000 for programming changes.

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