

Revised

Fiscal Note

2019-2020 Legislative Session

HF600 - 0 - "Incr Deer License Revenue Deer Mgmt Acct"

Chief Author: **Fue Lee**
 Committee: **Environment & Natural Resources Finance Division**
 Date Completed: **02/15/2019**
 Agency: **Natural Resources Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Dollars in Thousands					
Game And Fish (Operations)	147	7,146	7,146	7,146	7,146
Deer Habitat Improvement	(512)	(8,546)	(8,546)	(8,546)	(8,546)
Total	(365)	(1,400)	(1,400)	(1,400)	(1,400)
Biennial Total			(2,800)		(2,800)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Game And Fish (Operations)	-	-	-	-	-
Deer Habitat Improvement	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Sean Fahnhorst Date: 2/15/2019 10:03:15 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium		Biennium	
Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
Game And Fish (Operations)	147	7,146	7,146	7,146	7,146
Deer Habitat Improvement	(512)	(8,546)	(8,546)	(8,546)	(8,546)
Total	(365)	(1,400)	(1,400)	(1,400)	(1,400)
	Biennial Total		(2,800)		(2,800)
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Game And Fish (Operations)	-	-	-	-	-
Deer Habitat Improvement	(365)	(1,400)	(1,400)	(1,400)	(1,400)
Total	(365)	(1,400)	(1,400)	(1,400)	(1,400)
	Biennial Total		(2,800)		(2,800)
2 - Revenues, Transfers In*					
Game And Fish (Operations)	(147)	(7,146)	(7,146)	(7,146)	(7,146)
Deer Habitat Improvement	147	7,146	7,146	7,146	7,146
Total	-	-	-	-	-
	Biennial Total		-		-

Bill Description

Effective March 1, 2019, this bill increases the amount credited to the deer habitat improvement account (DHI) account from \$2 to \$16.00 for each annual deer license sold to persons 18 years of age or older and decreases the amount credited to the Game and Fish operating account by the same amount.

Maintain current dedications, including \$2.00 dedication to DHI account, for resident and non-resident deer hunting licenses for persons age 13 or over and under age 18 to take deer with firearms, archery, and muzzleloaders.

Maintain current dedications, including \$2.00 dedication to DHI account, for deer bonus permits.

Maintain current dedications to the deer and bear account, wolf account, and emergency deer feeding and health account for all deer hunting licenses. Current dedications from the youth deer hunting licenses will also remain the same. This bill also removes the statutory appropriation authority to the commissioner from the DHI account.

Licenses impacted include:

- Resident and non-resident deer hunting licenses for persons over age 18 to take deer with firearms, archery, and muzzleloaders;
- Resident sports licenses that include taking deer by firearms, archery, or muzzleloader;
- Resident super sport licenses for individuals and married combination;
- Lifetime deer hunting licenses to take deer with firearms or archery which would transfer an amount equal to the amount that would otherwise have been collected from annual license fees.

Assumptions

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Earnings based on similar licenses sales as sold in 2016/2017.

Assumes the current \$1.4 million budget in the deer habitat improvement (DHI) account will not be available to spend because language strikes the statutory authority to spend and does not provide a direct appropriation from this account.

Bill does not change the base appropriation to the Game and Fish Fund.

Estimated amount of revenue change is a decrease of (\$7.146M) from the Game and Fish operating account and an increase of \$7.146M to the DHI account with authority to spend only from the Game and Fish operating account.

Assumes youth lifetime license contribution of \$2 applies only to licenses for youth between the ages of 13 and 18 as outlined in Minnesota Statute 97A.075, subdivision 1.

Estimated revenues currently collected in the Game and Fish operating account between March 1, 2019 and June 30, 2019 total about \$147K. This FY19 revenue will be a decrease from the Game and Fish operating account and an increase to the DHI account.

Assumes no expense spending out of the DHI account after March 1, 2019 since the bill removes statutory authority and no funds have been appropriated. As a result, Fish and Wildlife may not be able to perform some core program activities unless other funding sources can be identified. Estimated expenditures during this time period total \$365K.

This note was prepared prior to the effective date of March 1, 2019. If the bill is enacted after March 1, 2019, the FY19 fiscal estimate would change. Please note that implementing this language retroactively would be administratively difficult.

Expenditure and/or Revenue Formula

* To avoid a FY19 impact, the effective date would need to be changed to 7/1/19.

**To avoid a spending authority reduction, the bill would need to increase the game and fish appropriation in the Deer Habitat Improvement (DHI) Account.

Fiscal Year 2019

Revenue decrease from Game and Fish operating account:	\$147K
Revenue increase to deer habitat improvement account (DHI):	(\$147K)
<u>Expense decrease in DHI account per statutory change:</u>	<u>(\$365K)</u>
Net cost	(\$365K)

Each Fiscal Year 2020-2023

Revenue decrease from Game and Fish operating account:	\$7.146M
Revenue increase to DHI account:	(\$7.146M)
<u>Expense decrease in DHI account per statutory change:</u>	<u>(\$1.4M)</u>
Net cost	(\$1.4M)

Long-Term Fiscal Considerations

Any reduced spending authority between the Game and Fish operating account and deer management account will impact

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Fish and Wildlife's ability to perform core program activities.

Local Fiscal Impact

N/A

References/Sources

97A.475 License Fees
97A.4742 Lifetime Fish and Wildlife Trust Fund
97A.473 Resident Lifetime Licenses
97B.301 Deer Licenses and Limits

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