

FISCAL NOTE
Requested by Legislative Council
01/13/2015

Bill/Resolution No.: HB 1088

- 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				\$104,720		\$209,440
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).*

A bill for an Act to amend and reenact sections 20.1-08-04.1, 20.1-08-04.2 and 20.1-08-04.6 of the NDCC, relating to who may participate in the bighorn sheep, elk and moose lottery.

- 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.*

This bill amendment will require new residents to wait for three years before they can participate in the bighorn sheep, elk and moose lottery. It will require an increase in salaries for additional time for wardens to investigate and verify residency.

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. All licenses will be issued.

- 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.*

This bill will require additional time for wardens to, at a minimum, check successful applicants to ensure they have been residents of ND for 3 years. Our best estimate for verification of a minimum three years of residency with a high degree of confidence is approx. 1 day (8hrs) to investigate each successful applicant. In 2014 there were 374 licenses issued; this equates to 2992 hrs. x \$35/hr. for \$104,720 per year. The proposed bill would not take effect until the 2016 season. Therefore, only 1 year in the 15-17 biennium will be affected.

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.*

None anticipated

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Agency: ND Game and Fish Dept

Telephone: 328-6306

Date Prepared: 01/13/2015

2015 HOUSE ENERGY AND NATURAL RESOURCES

HB 1088

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Pioneer Room, State Capitol

HB 1088
1/16/2015
Job #22077

- Subcommittee
 Conference Committee

Committee Clerk Signature *Kenneth M. Torvik*

Explanation or reason for introduction of bill/resolution:

Relating to who may participate in the bighorn sheep, elk, and moose lottery.

Minutes:

Attachments # 3

Chairman Porter opens hearing for HB 1088.

Rep. Vernon Laning:

(Attachment #1)

Chairman Porter: In the past, we've had many bills giving a little bump to residents, to non-residents. Over the past couple of sessions, the thought process of this committee, at least, that we've struck that balancing point that we aren't tipping one way or the other, and that both sides are equally unhappy with certain provisions, but we feel that we have kind of reached the balancing point. So, as we get into the session, and we get into these types of bills, where do you see it ending?

Laning: Since we're dealing with hunting, I don't think you will see an end to it. I think there's always the hunters, naturally, are very enthusiastic about their sport, and of course anything they can do to enhance it with their opinion, I'm sure is going to be brought before you, and you'll have to make a decision.

Porter: Inside of this lottery system, I don't believe this one is a weighted lottery. I think it's just your lucky draw each particular year.

Laning: Applicants range anywhere from 9,000 to 14,000 a year for these special permits.

Porter: For all other benefits inside of the state of North Dakota, showing that you've lived here for six months, seems to be the magic number. Why extend it out that far, to that many years, to be eligible for this, when it is a non-weighted lottery, and more a luck-of-the-draw?

Laning: It's strictly an effort to give long-term residents a little bit more of an edge, and admittedly it's not a great deal, but someone that has applied year after year and been a long-term resident. A lot of my constituents anyway, feel that they should be able to get a little bit of a leg up on somebody that's only been here for six months or seven months. It doesn't give them a great deal, but it does give them a fractional advantage.

Porter: So was there any discussion in your group in regards to just making it a weighted lottery then? Then, as long as you stay in it, your chances improve.

Laning: No, there wasn't.

Rep. Hunsakor: Just a thought. With the influx of the workforce into North Dakota, especially into oil country, many of those people are here for little more than six months, is that part of the motivation for the bill? And, five years from now, if that workforce is depleted and we're back to somewhat normal, maybe this bill would not have surfaced? Is there any truth to that?

Laning: There is no proof to that, but it was a consideration that, with the large influx of people, there'll be that many more applicants for these unique licenses, and again, the long-term residents would just like to have a little bit of a leg-up.

Rep. Glen Froseth: Who picks up the cost of \$104,000 for certifying, checking on the residency and certifying that these people have lived in the state for three years? It seems to me that there should be a easier, simpler way to do that. Make them show proof of residency when they apply.

Laning: The cost is considered. Because of the extra work involved in looking at the three-year requirement instead of six months, there is not expected to be any extra FTEs or anything like that to handle it, but it would be an additional workload. As far as where the dollars come from, I don't know if Game and Fish would submit an extra appropriations request, or whether they would have to find some way to squeeze it into their budget.

9:16

Rep. Corey Mock: What it would do is guarantee that a long-term resident would not lose a license to someone who has only been a resident anywhere from six months to three years. But it doesn't guarantee that anyone who has lived in North Dakota for say 20 years has better odds at getting a license whatsoever. Are you sure this is the vehicle to accomplish your goal-to give long-term residents more of a competitive edge in order to receive the once-in-a-lifetime license?

Laning: You're absolutely right, as far as the 20-year resident isn't going to have any better advantage over a four-year resident, for instance. As far as the vehicle, it's what we came up with. There's no guarantee that repeated submittals is going to give you a better chance. It's not a weighted lottery or anything like that. There is a fractional percentage improvement in the long-term residents' chances. That's really all it does.

Mock: Would you and the others who have worked and helped draft this legislation, be interested in approaching other methodologies to accomplish that goal? Or is this the product you would like to see at the end of the day?

Laning: I would think we would be open to anything that more or less recognizes the long-term resident. The numbers aren't very large, as far as who applies. But, it is quite a privilege to get one of these licenses, and that's really the intent.

11:35

Bryce Eckholm (Sp?)
(Attachment #2)

OPPOSITION

Mike Donahue, N.D. Wildlife Federation

We can appreciate people being exasperated in applying year after year and not getting drawn in this lottery. But it's an open deal. It's a risky take. Luck of the draw. What we don't think is fair, to a new citizen of North Dakota: come out here and be a good citizen, pay your taxes, go to church, put your kids into school. But, by the way, when it comes to some things, you're not as good as some of the older citizens. And, so we think that to be fair to the new citizens of North Dakota, if it's there and they can apply for it, let them do it. And don't put a time limit on it. Maybe we want their income tax right away, we want their property tax right away, but there's some things that they're not here long enough for. So we just don't think it's fair.

Rep. Froseth: Those who do apply now do have to show residency, don't they?

Donahue: As far as I know, yes.

Mock: Does the Federation have a position on a weighted license? What are your thoughts on the six-month residency requirement?

Donahue: The Federation has never really discussed whether this should go into like a weighted lottery or anything of that nature. At least not that I'm aware of. I really have no opinion on the six-month residency requirement.

Foster Ray Hager (Sp?)

I've been putting in for years. I finally got lucky and drew a moose license a couple years ago. But to put three years on this, because if you move here in June, you're going to have to wait a whole year because you missed your six months will be after the season is over. I don't like it when a 14-year-old gets drawn and I've been putting in since 1973, but that's the luck of the draw. If you're going to start adjusting who's a resident and who isn't, can you imagine the paperwork?

No other opposition.

Rep. Froseth: I was wondering about the \$104,720 fiscal note in extra salaries to verify that the applicants have been living in the state for three years. And where's that money going to come from and can it be recouped with the license fees or application? What are the plans?

Terry Steinwand, Director of the N.D. Game and Fish Department: It is actually not new dollars that would be expended. It's replacement. That is the amount of time we feel our enforcement staff would have to take to review and determine whether or not that three-year residency be required. And, not all applications, just successful applications. So it's really just a "replacement of time" fiscal note more than anything. We would not ask for new dollars, but they would not be able to do something else that they would be doing at that point in time. Enforcement has estimated it would take about an average of one day per person to determine. We currently look at any previous game and fish violations on all successful applications of what we call the Big 3. But we don't necessarily go into residency on all of them because they have to meet that six-month requirement to put in an application.

Rep. Nathe: How does Game and Fish currently determine residency? What's the process?

Steinwand: It would be a check in the six-month, and a lot of the time, it's just on the driver's license. Like Rep. Mock mentioned, they have to have a driver's license after 30 days in North Dakota. And you can sometimes do it by Social Security number. We don't go in depth right now, but we have caught a couple that couldn't meet it.

Chairman Porter: Mr. Steinwand, can you get us the five or ten-year application numbers for each of the Big 3? And then the number of permits allocated because I know that there may have been 10,000 applied and only three of them given. Can we get that?

Steinwand: I will give that information to your intern. It shows the number of applications and the increased odds.

Porter: Going back to the gist of the bill, has the discussion inside your department in regard to a weighted lottery and a change in the lottery to something different, how has that played out inside your agency?

Steinwand: We have discussed that numerous times. In order to build up enough preference points or bonus points, to be able to get a license, you'd probably be about 80 years old.

Chairman Porter closed the hearing on HB 1088.

Chairman Porter re-opened the hearing on HB 1088.

Porter: For discussion. For a motion. I guess just in the discussion phase, this is something we have looked at in the past. I guess, personally, I do think that this is one of those that opens up old wounds as we try to pick winners and losers inside of resident/non-resident issues. And it's an equal-opportunity kind of system, a once-in-a-lifetime tag on

any one of those big three. Some people are luckier than others. We have had the discussion about weighted lotteries in the past. I did want to make sure it was brought up so that everyone understands that if you do a weighted lottery, it certainly would be everyone who is 80 years old that would be getting the tags. It would definitely change how those licenses are given...not necessarily in a good fashion. I have to agree with Mr. Donahue that singling out these big three is really not a fair thing to say, "Yeah, it's OK to pay your property taxes, it's good that you license your car, it's outstanding that you are paying income tax here, but you really aren't a full-blown resident until the third year of being here, which really could be your fourth year of being here." That's just my two cents on the issue.

Mock: I would agree.

Mock moved Do Not Pass

Rep. Hofstad seconded

A roll call vote was taken. Yes: 12 No: 0 Absent: 1 (Anderson)

Do Not Pass prevails.

Rep. Mock will carry.

Date: 11/16/15
 Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. "Enter Bill/Resolution No." 1088**

House Energy and Natural Resources Committee

Subcommittee

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Mack Seconded By Rep. Hofstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep. Bob Hunsakor	✓	
Vice Chairman Damschen	✓		Rep. Corey Mock	✓	
Rep. Dick Anderson	✓		Rep. Naomi Muscha	✓	
Rep. Roger Brabandt	✓				
Rep. Bill Devlin	✓				
Rep. Glen Froseth	✓				
Rep. Curt Hofstad	✓				
Rep. George Keiser	✓				
Rep. Mike Lefor	✓				
Rep. Mike Nathe	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep. ~~Keiser~~ Mock

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1088: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **DO NOT PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1088 was placed on the Eleventh order on the calendar.

2015 TESTIMONY

HB 1088

#1
HB1088
1-16-13
pg 1
of 1

Testimony Before The Energy and Natural Resources Committee on HB 1088

Thank you, Mr. Chairman and Committee members. I'm Representative Vernon Laning and I'm here today to introduce HB 1088 and request your support for its passage.

This bill basically amends sections of NDCC 20.1-08-04.1, 04.2, and 04.6. The respective paragraphs deal with the once in a lifetime hunting licenses for big horn sheep, elk and moose.

The change requested is the same for each of the licenses by modifying the residency requirements to apply for one of the lottery drawings. It adds the provision that to participate in the lottery, a person must have been a resident of this state for the preceding three years.

Presently, a person is considered eligible to apply if they have established residency in ND and a resident is defined as a person that has lived in ND for the preceding 6 months. This bill provides long term residents a slightly better chance to obtain one of these once in a lifetime hunting opportunities. Long term residents who have applied year after year for these exclusive licenses have lost out to relatively new residents and this would reduce that competition somewhat.

I've had discussions with Game and Fish Department personnel who have stated they have no opposition to this bill but they do acknowledge enforcement of it may present some challenges.

With that Mr. Chairman and committee, I would request your support for HB 1088 and will attempt to answer any questions you may have.

Bryce

#2
HB 1088
1-12-15
pg 1
of 1

I would highly encourage the passing of this bill. As a life-long resident of North Dakota, I've supported the state, different wildlife programs, and Game and Fish. ^{I HAVE} ~~we~~ applied for these three tags for many years now. I know others that are also frustrated after applying for so many years and never drawing a tag. Sadly, some of them have had to abandon the dream of getting one of these three tags in their home state, as they are just not physically able to hunt. While we appreciate all residents of ND and the contributions they bring, I feel that we need to give some preference to the longevity and to the loyalty of the residents that have long supported these programs and our state.

IT IS ~~TOO~~ FORUNATE ARE STATE IS GROWING WITH NEW RESIDENTS, BUT ARE LICENSES ARE NOT.

MOOSE

	Current Chance of Drawing	1,000 Apps Less	2,000 Apps Less	# Applications
2014	0.87%	0.94%	1.03%	12,779
	0.89%	0.97%	1.06%	12,493
	1.25%	1.37%	1.52%	11,399
2011	1.29%	1.40%	1.53%	12,677
2010	1.17%	1.25%	1.35%	14,805

\bar{x}	1.09%	1.19%	1.30%
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On average, a decrease of 1,000 applications would increase the chance of being drawn by 1/10 of 1%; a decrease of 2,000 applications would increase the chance of being drawn by 2/10 of 1%

ELK

	Current Chance of Drawing	1,000 Apps Less	2,000 Apps Less	# Applications
2014	2.34%	2.58%	2.86%	11,114
2013	2.41%	2.66%	2.96%	10,807
2012	3.09%	3.48%	3.89%	9,741
2011	4.36%	4.78%	5.28%	11,485
2010	3.99%	4.34%	4.65%	14,068

\bar{x}	3.24%	3.57%	3.93%
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On average, a decrease of 1,000 applications would increase odds of drawing by 3/10 of 1%; a decrease of 2,000 applications would increase odds by 7/10 of 1%

BIG HORN SHEEP

	Current Chance of Drawing	1,000 Apps Less	2,000 Apps Less	# Applications
2014	0.040%	0.050%	0.051%	9,860
2013	0.031%	0.035%	0.039%	9,587
2012	0.034%	0.039%	0.045%	8,704
2011	0.051%	0.056%	0.064%	9,854
2010	0.044%	0.048%	0.053%	11,417

\bar{x}	0.040%	0.046%	0.063%
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On average, a decrease of 1,000 applications would increase odds of drawing by 6/1000 of 1%; a decrease of 2,000 applications would increase odds by 2/100 of 1%

Income from big three license sales - does not include application fee

2014	\$11,280
2013	\$7,500
2012	\$8,940
2011	\$13,380
2010	\$14,780

* license increase to \$30; application fee to \$5

Application Fees		Application Fees	
2014		2012	
Moose	\$63,125	Moose	\$33,747
Elk	\$54,465	Elk	\$28,686
Sheep	\$48,785	Sheep	\$25,848
2013		2011	
Moose	\$37,083	Moose	\$37,674
Elk	\$31,866	Elk	\$33,876
Sheep	\$28,479	Sheep	\$29,229
2010			
Moose	\$44,058		
Elk	\$41,574		
Sheep	\$33,975		