

FISCAL NOTE
Requested by Legislative Council
01/08/2015

Bill/Resolution No.: HB 1156

- 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				\$47,148		\$94,296
Expenditures				\$40,000		
Appropriations				\$40,000		

- 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 the option for an unsuccessful deer lottery applicant to choose to donate their deer lottery license refund to the private land open to sportsmen program. This bill will increase revenue and expenditures.

- 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 will increase revenue by allowing an option for unsuccessful deer lottery applicants to donate their deer lottery refunds into the game and fish private land habitat and access improvement fund and be allocated for the private land open to sportsmen program. It is difficult to estimate the fiscal impact because it is unknown how many unsuccessful applicants will choose to donate their deer lottery refunds. This bill has an effect on expenditures because it will require programming changes to the Game and Fish online licensing system.

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 fiscal impact is difficult to calculate as it is unknown how many unsuccessful deer lottery applicants will choose to donate their deer lottery license refund. A resident deer license is \$30, a youth is \$10 and a nonresident is \$250. In September 2014, the department issued \$942,950 in resident deer lottery refunds. In August 2014, the department issued \$502,928 in nonresident deer lottery refunds. It is unknown how many sportsmen will apply for the deer lottery (e.g. 66,000 to 103,000), how many deer licenses will be issued in future years, how many deer lottery refunds will be issued and how many unsuccessful applicants will choose to donate their deer lottery refund. For purposes of this fiscal note, we will assume 5% of resident & 0% of nonresident unsuccessful deer lottery applicants will choose to donate their deer lottery refund. Based on our 2014 deer lottery refunds, it would equate to \$47,148 per year. The proposed bill would not have an effect until the 2016 deer lottery due to when the bill would go into effect and the required time involved in programming changes, and timing of the hunting season. Therefore, only 1 year in the 2015-17 biennium will be affected.

- 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 requires programming changes to the Game and Fish online licensing system. We estimate the programming changes would cost the department approx. \$40,000. The refund program will need to be changed so credit cards are not refunded, checks are not printed, refunds are redirected to the game and fish fund, etc. Deer applications are due in June and refunds are issued in August and September. The proposed bill would not take effect until the 2016 deer lottery due to the time involved in programming changes and timing of the hunting season.

- 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 \$40,000 for programming changes.

Name: Angie Krueger

Agency: ND Game and Fish Dept

Telephone: 328-6306

Date Prepared: 01/14/2015

2015 HOUSE ENERGY AND NATURAL RESOURCES

HB 1156

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Pioneer Room, State Capitol

HB 1156
1/22/2015
22390

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the option to use deer lottery license refunds for the private land open to sportsmen program.

Minutes:

Attachments: #1

Vice Chairman Damschen opens hearing.

Todd Porter: This bill in front of you is an optional piece of legislation in regards to how our deer lottery system works. Over the past number of years we have really focused on habitat, we have focused on PLOTS. We have focused on getting money out into the private lands program so ND Game and Fish can work with land owners who want to open up their land to sportsmen. And we have habitat stamps, we have other methods that are ear marked inside of the stamp purchasing process to fund that program. It is all sportsmen's dollars that go out to those programs, to increase the number of acres that we have access to. During the interim I had a number of people visiting with me that wanted the ability to decline their refund on their deer license. They wanted a box that they could check that if they didn't want their, that at the time it was 20.00 dollars now it's 25 dollars, that they didn't want their 25.00 dollars back. That they wanted it to go into further enhancing the PLOTS program, further enhancing habitat programs that they just wanted to have a box on the form that would say at the time that they applied, if they weren't successful that ND Game and Fish could put that into the habitat account and use that money to further enhance access to private lands. And that's really all the Bill does. It's totally voluntary of the person filling out the application. If they want to check off and allow Game and Fish to keep their funds rather than a refund upon being unsuccessful. In my case, being someone who has five preference points, I don't have a problem checking the box as long as the money's going towards these great programs. I don't have an issue with that. And with that, Mr. Chairman, I would be happy to answer any questions.

Vice Chairman Damschen opens hearing.

Rep. Bob Hunsakor:

Representative Porter, was there any thought when this idea was being ported around for pronghorn, big game any other of the big game animals other than deer?

Chairman Porter

No, I guess I would certainly be open to the committee's recommendations on enhancing the program. But really the primary focus from the people that have talked to me was with the deer license, at the time we were talking about this we didn't have a pronghorn season. The one that we did end up with in 2014 was very limited to the far extreme southwest part of the state. Inside of the big three, there is already a processing fee that the unsuccessful applicant game and fish is retaining a portion of that for their expense of processing so I didn't think that this on top of that would be something to do.

Paul Myerchin, Attorney, representing himself

My recommendation to the committee is that you give HB 1156 a unanimous do pass out of this committee. I am very pleased that this Bill was brought forth this session. I don't believe that based upon newspaper articles that throughout the year and every corner of the state that it's that much of a secret that our deer herd in ND is in trouble. We've fallen in the last 10 years from having hunters have available to them about 150,000 licenses now down less than 50,000. That's in part to back to back to back hard winters and the loss of habitat, losing more than two million acres of CRP, shelter belts coming out, and what not. This Bill gives the sportsman and women of ND an opportunity to help rebuild that deer herd. It's what hunters do, modern day do as conservationist when wildlife population are in trouble. They step up to the plate. That's the history of the Duck Stamp, which has been a successful program for nearly 75 years. My only suggestion to this committee and its all do respect to the sponsors of this bill. My only suggestion to this committee is that you make it mandatory. I don't know that anyone who enjoys the sport of hunting is going to be put out or be strapped from making a 25 or 30 dollar contribution to the department. My other reason for making mandatory is the ND Game and Fish dept is one of the smallest Game and Fish Departments in the states, yet it's got some of the best professionals, the best wildlife professionals in the country. I think those folks need a predictable dedicated source of money to help rebuild this deer herd. Outside of that one suggestion I think it's an excellent piece of legislation. I think it deserves the full committee support. It's my hope that as this Bill works through the process, it does get passed, signed into law, and I hope the Game and Fish Department will fully promote this, and that the sportsmen and women of North Dakota step up to the plate and check that box to refund their money to the department.

Rep. George Keiser: Would these contributions be tax deductible?

Myerchin: I don't believe that they would be based on what I know of the tax code. It would have to be a 501C3 organization to be tax deductible.

**Scott Peterson, Deputy Director of North Dakota Game and Fish Department.
(Written testimony #1)**

The department occasionally receives inquiries from unsuccessful applicants of the deer lottery, about the possibility of donating their refund for use in the department's private land open to sportsman program. The PLOTS program compensates land owners for preserving

habitat and allowing walk-in access to hunters. There are currently, approximately 740,000 acres, currently enrolled in our PLOTS program. It's difficult to quantify the number of inquiries we have received over the year, or the number of people that would participate if this Bill passes. We can however, attest to the fact that there is, at least some interest in the proposed option. The ND Game and Fish Department respectfully recommends a Do Pass on HB 1156.

Rep. Dick Anderson: Do you have any idea how much revenue this might produce?

Peterson: We did prepare a fiscal note. It's somewhat of a guess, because we don't have a way of knowing how many people are going to participate. We took a number we thought was realistic and came up with revenue after we made some programming and administrative changes. We are looking at this first biennium revenue of 47,000 dollars and we expect to double that the following biennium to 94,000 dollars. I want to point out that that's just an estimate on our part.

Rep. Dick Anderson: Do you know how many more acres of habitat this would provide if this goes through?

Peterson: I don't. A lot will depend on what type of programs the folks decide to enroll in because our program has a lot of different aspects to it and those rental payments vary depending on if it's a working lands program verses a habitat plot. The acreages vary depending on which program that particular land owner wants to participate in.

Rep. Glen Froseth: The fiscal note shoes a 40,000 dollar expense and a 40,000 dollar appropriation. Will that 40,000 dollars expense come out the the money that's donated to the program?

Peterson: The expense is to set up the mechanism to handle the refund.

Rep. Glen Froseth: But is that going to come out of the refund money?

Peterson: It's my understanding that it probably wouldn't. However, I don't have reason to believe that we couldn't work it that way if it were the wishes of the committee.

Mike Donahue North Dakota Wildlife Federation

We support this Bill. It's a small step but it's a start. This last weekend the Federation held its annual convention. On Saturday afternoon, the 17th, we held our Future Hunting Five Conference. Two main items were identified as far as for good hunting opportunity; habitat and access.

OPOSITION: None

Vice Chairman Damschen closes hearing.

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee Pioneer Room, State Capitol

HB 1156
1/22/2015
22397

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the option to use deer lottery license refunds for the private land open to sportsmen program.

Minutes:

Attachments: 0

Chairman Porter opens.

Rep. Glen Froseth moves a do pass.

Rep. Mike Nathe seconds motion.

Chairman Porter asks for discussion.

Rep. George Keiser I do see that there are some Game and Fish folks in the room, I would encourage them really strongly that when they have that box where you can check, and make that contribution that there be some language below it saying this does not qualify for a contribution. A non-taxable contribution or however you want to word it. Because I know how I am when I go to my tax man I'm trying to find everything under the sun that I can claim. And they're not going to like it if we have a lot of these included. It's easily done, we don't need to put it in the statute, but I'm glad that they are here to hear that. Then they can't say, well we didn't think about it.

Chairman Porter asks for further discussion. No further discussion is brought forward.

Chairman Porter: Seeing none, the clerk will call roll for a "do pass" for House Bill 1156.

Vote: 12 Yes, 0 No, 1 Absent.

Rep. Glen Froseth volunteers to carry bill.

Date: 1/22/15
 Roll Call Vote #: 12

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO.**

House Energy and Natural Resources Committee

Subcommittee

1156

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 Froseth Seconded By Nathe

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep. Bob Hunskor	✓	
Vice Chairman Damschen	✓		Rep. Corey Mock	✓	A
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 Froseth

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

REPORT OF STANDING COMMITTEE

HB 1156: Energy and Natural Resources Committee (Rep. Porter, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
HB 1156 was placed on the Eleventh order on the calendar.

2015 SENATE ENERGY AND NATURAL RESOURCES

HB 1156

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources
Fort Lincoln Room, State Capitol

HB 1156

3/5/2015

24360

Subcommittee

Conference Committee

Committee Clerk Signature

Kate Oliver

Explanation or reason for introduction of bill/resolution:

Relating to the option to use deer lottery license refunds for the private land open to sportsmen program.

Minutes:

1 Attachment

Representative Porter: District 34 in Mandan. The bill before you allows game and fish to put a check box on the deer application to donate their refund back to the PLOTS program. When we looked at the ongoing issues the one area we hear from is the people participating is that they would like to see as much money in that fund as possible. Game and fish doesn't have the ability to authority to implement that but it is important to note that it is not a tax deductible contribution, it is the refund that would be used from your unsuccessful draw and use it inside of these specific limited areas of the habitat.

Senator Triplett: This is similar to the watchable wildlife on our tax forms, yes?

Representative Porter: Yes.

Senator Triplett: Do you know how successful they have been?

Representative Porter: The game and fish on the fiscal note estimated around \$47,000 a year out of the refunds would be donated back to the habitat programs. We did not do any look back.

Mike Donahue: North Dakota Wildlife Association. We are in support of this bill.

Scott Peterson: North Dakota Game and Fish Department. See attachment #1. (4:50-5:52)

Senator Triplett: Why do you think that you do not have the authority to accept donations from the public?

Scott Peterson: We had some discussion about that internally and we felt that, if nothing else, for the sake of transparency, we would like to make sure we are clear on this. If we

are going to do this it will be done in the right way, above board; especially since it is designated for a specific purpose.

Senator Laffen: How is the lottery executed?

Scott Peterson The lottery is a chance lottery, based on a bonus point system.

Senator Laffen: The selections are made randomly?

Scott Peterson: That is correct; it is a random drawing that is computer based.

Senator Hogue: How much does it cost to mail back refunds?

Scott Peterson: I am not sure what the cost per applicant is.

Chairman Schaible closed the hearing on HB 1156, Senator Murphy made a motion for a Do Pass with a second by Senator Laffen, there was no further discussion, roll was taken and the motion passed 7-0-0 with Senator Murphy carrying the bill to the floor.

REPORT OF STANDING COMMITTEE

HB 1156: Energy and Natural Resources Committee (Sen. Schaible, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
HB 1156 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HB 1156



#1

House Energy and Natural Resources Committee

Testimony on HB 1156

Scott Peterson, Deputy Director

North Dakota Game and Fish Department

January 22, 2015

Chairman Porter and members of the House Energy and Natural Resources committee, my name is Scott Peterson. I am the Deputy Director of the North Dakota Game and Fish Department and I'm testifying in support of HB 1156.

The Department occasionally receives inquiries from unsuccessful applicants of our deer lottery about the possibility of donating their refund for the use in the Department's Private Land Open to Sportsmen (PLOTS) Program. The PLOTS program compensates landowners for preserving habitat and allowing walk-in access to hunters. There are approximately 740,000 acres currently enrolled in our PLOTS program.

It is difficult to quantify the number of inquiries of this type that we have received over the years, or the number of people that would ultimately participate if HB 1156 passes. We can however attest to the fact that there is at least some interest in the proposed option.

Chairman Porter and Committee Members, the North Dakota Game and Fish Department respectfully recommends a **DO PASS** on HB 1156.



Senate Energy and Natural Resources Committee

Testimony on HB 1156

Scott Peterson, Deputy Director

North Dakota Game and Fish Department

January 22, 2015

Chairman Schaible and members of the Senate Energy and Natural Resources committee, my name is Scott Peterson. I am the Deputy Director of the North Dakota Game and Fish Department and I'm testifying in support of HB 1156.

The Department occasionally receives inquiries from unsuccessful applicants of our deer lottery about the possibility of donating their refund for the use in the Department's Private Land Open to Sportsmen (PLOTS) Program. The PLOTS program compensates landowners for preserving habitat and allowing walk-in access to hunters. There are approximately 740,000 acres currently enrolled in our PLOTS program.

While it is difficult to quantify the number of inquiries of this type that we have received over the years, or the number of people that would ultimately participate if HB 1156 passes, we can at least attest to the fact that there is some interest out there.

Chairman Schaible and Committee Members, the North Dakota Game and Fish Department respectfully recommends a **DO PASS** on HB 1156.

31515

1.1