



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0678

Title: Authorize transfers and other necessary measures to implement HB2 -section A

Primary Sponsor: Bartel, Dan

Status: As Amended

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2022 Difference</u> | <u>FY 2023 Difference</u> | <u>FY 2024 Difference</u> | <u>FY 2025 Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | \$700,000 | \$700,000 | \$0 | \$0 |
| State Special Revenue - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| Net Impact-General Fund Balance: | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

Description of fiscal impact: HB 678, as amended, makes the conservation license revenue for search and rescue funding a voluntary donation and increases the amount that local search and rescue units may be reimbursed from \$25,000 to \$50,000. The amendment also eliminates the federal diversion issues of the original fiscal note.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife, and Parks (FWP)

1. HB 678 revises the search and rescue funding collected in the conservation license.
2. As amended, the bill changes the search and rescue money received from a surcharge to a voluntary donation beginning March 1, 2022. This eliminates the federal diversion issues of the original fiscal note.

3. The department does not know how many people would elect not to pay the search and rescue donation; therefore, the department is assuming all persons buying a conservation license will pay the search and rescue donation.
4. In FY 2020, the department sold 518,972 conservation licenses. The department assumes conservation license sales will remain constant for the purposes of this fiscal note.
5. Beginning in FY 2022, the search and rescue donation will be deposited directly into a state special revenue account within the Department of Military Affairs. This fiscal note represents a loss of revenue to the Fish, Wildlife & Parks (FWP) search and rescue account, since this revenue will go directly to the Department of Military Affairs.
6. The search and rescue revenue for FY 2023 through FY 2025 is estimated to be \$129,743 (or 518,972 conservation licenses X \$0.25 search and rescue donation).
7. In FY 2020, the department recorded 40% of conservation license sales between March 1 and 06/30/2020, fiscal year end (FYE).
8. For FY 2022, the department assumes it will receive 40% of conservation license sales between March 1 and FYE. Therefore, the search and rescue donation revenue for FY 2022 is estimated to be \$51,897 (or \$129,743 annual search and rescue donations X 40%, rounded).
9. HB 678 establishes that the search and rescue surcharges which were collected prior to the implementation of this bill will still be used to pay reimbursements for search and rescue missions involving persons engaged in hunting, fishing, or trapping to the Department of Military Affairs through FYE of 2023. Beginning FY 2024, any unspent funds remaining in the FWP search and rescue account will be transferred to general license account.
10. This bill increases the amount for which the Department of Military Affairs may expend per rescue mission and per unit of equipment. Therefore the reimbursements paid by FWP may increase during FY 2022 and FY 2023.
11. FWP currently has \$1.4 million in the search and rescue account and will make all funds available for FY 2022 and FY 2023 for reimbursements to the Department of Military Affairs if more costly search and rescue missions and/or equipment is needed. Therefore, the department is anticipating \$700,000 per year for FY 2022 and FY 2023 in expenditures which may or may not happen.


Department of Military Affairs (DMA)

12. HB 678 revises the maximum amount allowed to be reimbursed to counties from \$6,000 per rescue mission to \$50,000, regardless of the number of counties, or county search and rescue organizations, involved.
13. The department assumes 20 - 30 qualifying events per year. For the purpose of this fiscal note, it is assumed that 25 search and rescue missions will be reimbursed each year at the maximum amount of \$50,000.
14. Assuming the maximum reimbursement to counties for each mission, additional expenditures for the department are estimated at \$1,100,000 annually (\$50,000 less \$6,000 x 25 missions per year). However, search and rescue costs can only be reimbursed up to amount of revenues received each year by the department.
15. The Department of Fish, Wildlife and Parks estimates that \$1,400,000 in remaining search and rescue fund balance will be transferred to the Department of Military Affairs in fiscal years 2022 and 2023 (\$700,000 per each year). When combined with projected donation revenues, it is estimated the Department of Military Affairs will have available revenue of \$751,897 in fiscal year 2022, and \$829,743 in fiscal year 2024, to offset costs incurred by counties for search and rescue missions.
16. Once the \$1.4 million in existing fund balance has been depleted, the department will have less than \$130,000 in projected annual donations available to offset future search and rescue costs.

| | <u>FY 2022</u> <u>Difference</u> | <u>FY 2023</u> <u>Difference</u> | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Fiscal Impact: Combined | | | | |
| <u>Expenditures:</u> | | | | |
| Transfers - FWP | \$700,000 | \$700,000 | \$0 | \$0 |
| Grants to Counties - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| TOTAL Expenditures | \$1,451,897 | \$1,529,743 | \$129,743 | \$129,743 |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | \$700,000 | \$700,000 | \$0 | \$0 |
| State Special Revenue - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| TOTAL Funding of Exp. | \$1,451,897 | \$1,529,743 | \$129,743 | \$129,743 |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| TOTAL Revenues | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | (\$700,000) | (\$700,000) | \$0 | \$0 |
| State Special Revenue - DMA | \$0 | \$0 | \$0 | \$0 |

| | <u>FY 2022</u> <u>Difference</u> | <u>FY 2023</u> <u>Difference</u> | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Fiscal Impact: Fish, Wildlife & Parks | | | | |
| <u>Expenditures:</u> | | | | |
| Transfers - FWP | \$700,000 | \$700,000 | \$0 | \$0 |
| TOTAL Expenditures | <u>\$700,000</u> | <u>\$700,000</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | \$700,000 | \$700,000 | \$0 | \$0 |
| TOTAL Funding of Exp. | <u>\$700,000</u> | <u>\$700,000</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - FWP | \$0 | \$0 | \$0 | \$0 |
| TOTAL Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue (02) | (\$700,000) | (\$700,000) | \$0 | \$0 |

| | <u>FY 2022</u> <u>Difference</u> | <u>FY 2023</u> <u>Difference</u> | <u>FY 2024</u> <u>Difference</u> | <u>FY 2025</u> <u>Difference</u> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <u>Fiscal Impact: Department of Military Affairs</u> | | | | |
| <u>Expenditures:</u> | | | | |
| Operating Expenses - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| TOTAL Expenditures | <u>\$751,897</u> | <u>\$829,743</u> | <u>\$129,743</u> | <u>\$129,743</u> |
| <u>Funding of Expenditures:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| TOTAL Funding of Exp. | <u>\$751,897</u> | <u>\$829,743</u> | <u>\$129,743</u> | <u>\$129,743</u> |
| <u>Revenues:</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - DMA | \$751,897 | \$829,743 | \$129,743 | \$129,743 |
| TOTAL Revenues | <u>\$751,897</u> | <u>\$829,743</u> | <u>\$129,743</u> | <u>\$129,743</u> |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u> | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| State Special Revenue - DMA | \$0 | \$0 | \$0 | \$0 |


4/15/21
KA
4-14-21

Sponsor's Initials
Date
Budget Director's Initials
Date