



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0697	Title:	Reimburse landowners for crop damage by wildlife
Primary Sponsor:	Kassmier, Joshua	Status:	As Introduced

- 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</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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$4,007,032	\$3,994,561	\$3,994,561	\$3,994,561
Federal Special Revenue	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 697 provides reimbursement to landowners for crop damage by wildlife in districts where the commission limits the number of permits available for a species where the population of that species exceeds 200%.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife, and Parks (FWP)

1. HB 697 creates a landowner reimbursement program for crop damage if the commission limits the number of permits available for species in a hunting district where the population of that species exceeds 200%.
2. Idaho Fish and Game has a similar landowner crop damage program. In FY 2020, Idaho Fish and Game received \$1,224,000 in claims for crop damage for the states 11,600,000 agricultural acres.

3. Montana Fish, Wildlife, and Parks (FWP) currently has 19 elk hunting districts that are 200% over objective and have limited permits imposed by the commission.
4. The 19 hunting districts cover 28 counties in Montana. Based on the taxable agricultural acres from the Department of Revenue the 28 counties are 31,224,783 agricultural acres.
5. FWP assumes there is no cap on the total reimbursement amount allowed and applied Idaho's per acre cost to Montana's total agricultural acres in the 28 counties.
6. Based on Idaho's FY 2020 claims received (\$1,224,000 payment / 11,600,000 acres = \$0.11 per acre rounded); it could cost FWP \$3,434,726 in damages for 31,224,783 acres. ($0.11 \times 31,224,783 = \$3,434,726$).
7. FWP would hire 7.00 FTE program specialists (one per region) to administer the crop reimbursement program. Salary and benefits for 7.00 FTE is estimated at \$536,608 in FY 2022 and \$543,529 in FY 2023, FY 2024, and FY 2025.
8. One-time computer equipment and office furniture for the 7.00 FTE in FY 2022 is estimated at \$19,600 and operating costs associated with the FTE are estimated 3% of personal services or \$16,098 in FY 2022 and \$16,306 in FY 2023, FY 2024, and FY 2025.
9. The agency would contract for a certified crop adjuster to identify the cost of damage to the land. FWP is unable to identify a total cost of a contracted crop adjuster.
10. In accordance with current federal law (50 CFR 80, Subpart B, 80.10), license revenue can only be used for administration of the state fish and wildlife agency, which includes only the functions required to manage the agency and the fish-and-wildlife related resources for which the agency has authority under state law.
11. Reimbursement of crop damage to landowners does not constitute an eligible use of license revenue as defined in 50 CFR 80, Subpart B, 80.10. The reimbursement for this purpose could render the agency ineligible to receive future grant funding. The agency currently receives \$28,000,000 per year from the US Fish and Wildlife Service therefore, a reduction of revenue and expenditures of \$28,000,000 is included in this fiscal note.

	<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:</u>				
FTE	7.00	7.00	7.00	7.00
<u>Expenditures:</u>				
Personal Services	(\$8,703,392)	(\$8,696,471)	(\$8,696,471)	(\$8,696,471)
Operating Expenses	(\$15,289,575)	(\$15,308,968)	(\$15,308,968)	(\$15,308,968)
TOTAL Expenditures	(\$23,992,967)	(\$24,005,439)	(\$24,005,439)	(\$24,005,439)
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$4,007,032	\$3,994,561	\$3,994,561	\$3,994,561
Federal Special Revenue (03)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
TOTAL Funding of Exp.	(\$23,992,968)	(\$24,005,439)	(\$24,005,439)	(\$24,005,439)
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
TOTAL Revenues	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)	(\$28,000,000)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$4,007,032)	(\$3,994,561)	(\$3,994,561)	(\$3,994,561)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

SK
Sponsor's Initials

4-1-21
Date

KA
Budget Director's Initials

3-31-21
Date