

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6472-01
Bill No.: HJR 87
Subject: Department of Conservation; Fishing and Hunting; Animals; Property, Real and Personal; Constitutional Amendments
Type: Original
Date: February 27, 2018

Bill Summary: This legislation proposes a constitutional amendment to allow nonresident landowners to receive resident landowner hunting and fishing privileges.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0 to (Greater than \$7,800,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 to (Greater than \$7,800,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government*	\$0	\$0	\$0

*Transfers In and Cost to net zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation (MDC)** assume this proposal would have an unknown negative fiscal impact, but more than \$500,000, based on the number of nonresident deer and turkey hunting permits sold. This figure does not include the loss of any funds MDC receives from the Wildlife and Sport Fish Restoration fund or lost revenue from small game, fishing, trapping, or migratory bird permits. Also, not all nonresidents pay income or property tax, and MDC does not have the ability to determine the number of nonresidents that purchased a hunting or fishing permit and also paid property or income taxes in Missouri.

MDC states that qualifying resident landowners can receive free hunting and fishing permits for their property. On average, MDC issued about 600 nonresident landowner spring turkey hunting permits, 100 fall turkey nonresident landowner hunting permits, 450 archery nonresident landowner permits, and 1,400 nonresident landowner firearm deer permits. This does not include small game, fishing, migratory bird or trapping permits.

1,400 X \$225 = \$315,000
100 X \$110 = \$11,000
450 X \$225 = \$101,250
600 X \$190 = \$114,000

The "Greater than \$500,000" fiscal impact is a conservative estimate and does not include lost revenue from small game, fishing or trapping permits, nonresident youth permits, or federal reimbursements from hunting and fishing permit sales.

Oversight notes this proposal is for the constitutional amendment only; therefore, Oversight will not reflect the fiscal impact assumed by MDC in this fiscal note. Instead, Oversight will reflect the fiscal impact assumed by MDC in the fiscal note for the proposed law (HB 1657) if this constitutional amendment is passed.

In response to a similar proposal from 2018 (HB 1657), officials from the **Office of Administration - Budget and Planning (BAP)** assumed the proposed legislation would allow a non-Missouri resident who owns at least 75 acres of property in Missouri to receive resident hunting, fishing, or trapping privileges. This will decrease total state revenues and impact the state's Article X, Section 18(e) calculation. BAP defers to MDC for an estimate of decreased revenues.

ASSUMPTION (continued)

Officials from the **Department of Revenue** and **Joint Committee on Administrative Rules** each assume the proposal will have no fiscal impact on their respective organizations.

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, sub-section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and sections 116.230-116.290, RSMo. The Secretary of State's Office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 the Secretary of State's Office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue).

Therefore, the Secretary of State's Office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

ASSUMPTION (continued)

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2019. This reflects the decision made by the Joint Committee on Legislative Research, that the potential cost of elections should be reflected in the fiscal note.

There is both a statewide primary election and a general election in 2018 (both FY 2019). It is assumed the subject within this proposal could be on either of these elections; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2019.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Transfer Out</u> - Office of the Secretary of State - reimbursement of local election authorities for election costs if a special election is called	\$0 or (Greater than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	\$0 or (Greater than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL ELECTION AUTHORITIES			
<u>Transfer In</u> - Cost reimbursement from the State for special election if a special election is called for by the Governor	\$0 or More than \$7,800,000	\$0	\$0
<u>Expense</u> - Cost for special election	\$0 or (More than \$7,800,000)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL ELECTION AUTHORITIES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Upon voter approval, this Constitutional amendment allows any United States citizen who is not a Missouri resident but owns at least 75 acres of property in Missouri to receive resident hunting, fishing, or trapping permit privileges.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Department of Conservation
Office of Administration - Budget and Planning
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
February 27, 2018