



## Fiscal Estimate Narratives

DNR 9/13/2005

LRB Number	05-2676/2	Introduction Number	AB-609	Estimate Type	Original
<b>Subject</b>					
Disposal of carcasses with chronic wasting disease					

### Assumptions Used in Arriving at Fiscal Estimate

#### Bill Summary

This bill allows DNR to promulgate rules regulating the transportation, possession, control, storage, and disposal of the carcass of a cervid to control chronic wasting disease. The bill also allows DNR to promulgate rules prohibiting the transportation of the carcass of a cervid from another state or country in which chronic wasting disease has been confirmed in a cervid. Under the bill, these rules may not apply to certain types of meat and antlers, including deboned meat, wrapped meat, and finished taxidermy heads. The rules, under the bill, would apply to everyone that may be involved with the cervid carcass, including motor vehicle operators who accidentally kill a deer on a highway, and hunters, taxidermists, and transporters.

The bill requires any person to provide DNR with sample tissue or data derived from a wild animal if that sample is needed to determine the extent of a disease in wild animals. The bill removes the sunset date of June 30, 2004, to again allow DNR staff, federal employees, and landowners to shoot deer from certain vehicles in areas designated as chronic wasting disease control zones.

The bill also allows DNR and the Department of Agriculture, Trade and Consumer Protection to enter into agreements with persons who own or operate landfills, meat processing facilities, or wastewater treatment facilities to indemnify them for damages resulting from processing or disposal of cervids that have chronic wasting disease.

Finally, this bill allows DNR to exempt deer hunters in chronic wasting disease control zones from having a deer hunting license. The bill requires DNR to promulgate a rule that establishes eligibility criteria and application procedures for receipt of an exemption from those requirements.

#### Fiscal Estimate

##### (a) Cost Reduction:

As of May 2005, the cost associated with the disposal of the carcasses of deer harvested in areas impacted by CWD during the 2004-05 deer seasons was approximately \$498,000. This includes staff time associated with storing carcasses in refrigerated units, locating infected carcasses, transporting carcasses to the incinerator or digester, transporting waste from processors, the costs of equipment, fuel and the disposal itself. During the 2004-05 deer seasons, the disposal of carcasses cost approximately \$1,000/ton.

Because this bill allows DNR enter into agreements with persons who own or operate landfills to indemnify them for damages resulting from processing cervids that have CWD, the Department would be able to discontinue use of incinerators or digesters to dispose of carcasses. If landfilling carcasses is an option in 2005, our staff experts feel that they could safely project that \$50,000 would cover all costs associated with disposal of carcasses in 2005. The \$50,000 estimate includes cost for dumpsters, the Department's car-killed deer pick-up contract, tipping fees for the landfill (\$35 to \$75 / ton of waste) and minimal staff time for coordination.

Anticipated reduction in costs: \$448,000 (\$210,000 Disposal Costs, \$90,000 Other Expenses, \$148,000 Salary and Fringe)

##### (b) Revenue Reduction:

In 2004 the Department offered approximately 3,800 landowners the privilege of hunting without a gun deer

license under the Department's nuisance animal permit authority, additionally there were approximately 3,200 hunters who hunted as agents of these landowners to remove deer from private lands within the CWD Eradication Zone (DEZ). Of these permit holders, approximately 2,300 (34%) purchased another approval that authorized gun deer hunting. The reasons these individuals may have purchased another approval which authorized gun deer hunting could be that they bought an approval that offered additional authorities such as a Conservation Patron License, or they hunted elsewhere in the state or on public land in the DEZ.

Approximately 88% of the land in the larger southwestern DEZ, is under private land ownership. So, some hunting does occur on public land, however it is difficult to determine the number of hunters that hunt public land in the DEZ. What we do have is some data on hunters that hunt private land, which according to land ownership does constitute the majority of hunting opportunity in the DEZ.

There are approximately 8,000 landowners in the DEZ. From past survey data (2003) we know that approximately 70% of landowners allow hunters on their property. The mean number of hunters per property is roughly 3 hunters. So, if it is assumed that the hunters do not hunt more than one property (which is likely a false assumption, but necessary to generate an estimate), that equates to approximately 16,800 hunters that hunt private land in the DEZ. Since we know that if offered the chance to gun deer hunt without a license in the DEZ (DEZ landowner or hunter permit) that 66% of hunters would take advantage of the opportunity and would not buy another license. That suggests that approximately 11,000 hunters would not buy another license and would only hunt the DEZ.

However, if we consider that perhaps 5,000 hunters would have taken advantage of the authority to hunt without a license in the DEZ under our existing nuisance authority (DEZ landowner and hunter permits) and would not purchase a license which would allow them to hunt elsewhere in the state the fiscal impact would be reduced. Under this new authority we are potentially looking at only perhaps 6,000 additional hunters that may not buy a license to hunt deer only in the DEZ, and this is a liberal estimate since most hunters do in fact hunt more than one property. At \$24 for a resident deer license this could equate to a \$144,000 loss in revenue.

Anticipated reduction in revenue: \$144,000

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-2676/2		<b>Introduction Number</b> AB-609	
<b>Subject</b>			
Disposal of carcasses with chronic wasting disease			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	-148,000
(FTE Position Changes)			
State Operations - Other Costs			-300,000
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$-448,000</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			-448,000
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-144,000
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-144,000</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$-448,000	\$
NET CHANGE IN REVENUE		\$-144,000	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	9/13/2005