
Detailed Fiscal Analysis

The bill makes numerous changes to the Department of Natural Resources laws and regulations.

Division of Natural Areas & Preserves -Transfer of officers from PERS to PERS-LE

NOTE: For the purposes of this analysis, LBO is assuming that these 16 employees would transfer from PERS to PERS-LE since there is a relatively small increase in employee contributions (0.5%) and there would be a significant increase in retirement benefits and an earlier retirement eligibility date. There are a total of 6742 active members of PERS-LE (as of 12/31/96). Section 9 of the As Introduced version of the bill gives employees who are currently in the above positions 90 days after the effective date of the bill to indicate whether or not they would transfer from PERS to PERS-LE. New employees hired for these positions after the effective date of the bill would automatically be enrolled in PERS-LE.

The bill would allow the 16 preserve officers in the Division of Natural Areas and Preserves to transfer from the regular PERS age and service retirement provisions into the special PERS provisions for law enforcement officers. For those 16 individuals transferring from the PERS-state to PERS-LE, there would be a 0.50% employee rate increase and a 3.39% employer rate increase incurred by DNR-Natural Areas and Preserves. The total current payroll for these 16 individuals is \$579,929. If all 16 employees chose to make the transfer to PERS-LE, the increase to the Division of Natural Areas and Preserves' operating expenses would be 3.39% of payroll or approximately \$20,000. The average age of these 16 individuals is 46 and the average length of state service is 19 years. According to a spokesperson for PERS, the board would have to determine how credit for service already performed under PERS-state/local would be handled. Once the full liability for these transfers was determined, it would be up to the board to decide how to assume that liability. PERS-LE would assume the greatest liability for those individuals who transferred into PERS-LE and then, shortly thereafter, retired.

Division of Natural Areas & Preserves – Transfer of ginseng management program to Division of Wildlife

Currently, the division certifies approximately 10,000 pounds of ginseng annually. The division asks for a donation of \$1 per pound to have their part-time inspector go out to the site to do the certification. There is no charge for certification if the dealer brings the ginseng to Columbus. These monies are deposited to fund 507 725-681 Departmental Services-Interstate. These monies are used to cover the salary for the part-time inspector and administration of the program. There will be a loss of approximately \$10,000 to fund 507, but this would be offset by the decrease in expenditures.

Forestry – New fees

The Division of Forestry currently provides approximately 1,000 private landowners with assistance in preparing management plans on private forestry land. At present, the division does not charge for these services. Some county auditors require these management plans in order for the landowner to participate in the CAUV (Current Agricultural Use Value) program. (Forestry land qualifies for inclusion in the CAUV program.) The bill would give the division the authority to charge private landowners for the staff time spent on the preparation of materials. The amount of time spent by forestry personnel will vary by region and by auditor (not all auditors require a management plan). Annually, the division provides this service for CAUV

purposes to 200 private landowners. It is estimated that assistance for each plan could amount to approximately a day of a service forester's time. There are currently 25 service foresters for the division. The division estimates that there would be a charge of approximately \$200-\$250 per day for these services. There could be a revenue gain of between \$40,000-\$250,000. The division is projecting that initially there might only be a charge for plans for CAUV purposes (\$200 x 200 = \$40,000).

The Division of Forestry also provides timber marking services for private landowners, currently at no charge. The bill would authorize the division to charge for staff time spent on these services. Annually, the division provided this service to approximately 200 private landowners. It is estimated that assistance for timber marking could amount to approximately a day of a service forester's time. There are currently 25 service foresters for the division. The division estimates that there would be a charge of approximately \$200-\$250 per day for these services. There could be a revenue gain of between \$40,000 and \$50,000.

Forestry – Sell products from state forest nurseries

Under current law, the division has the authority to sell or lease minerals on state forestry land. The bill would extend that authorization to selling or leasing minerals on state nursery land. There is a potential request for use of this authority at the Old Green Springs nursery which is currently being leased by Civilian Conservation Corp. The potential revenue gain from this new authority is unknown at this point.

Geo Survey – Geo Mapping Fund

The bill would deposit the fine monies for the following offenses to the Statewide Mapping fund instead of the Permit and Lease fund: failure of an operator to file an annual report and failure of an operator to obtain the appropriate permit for removing certain items from Lake Erie. To date, the division has not collected any fines related to these violations. Fines for failure to file a report range between \$100 and \$2,000 on the first offense and between \$1,000 and \$2,000 on subsequent offenses. Fines for failure to obtain the appropriate permit range between \$1,000 and \$2,000 on the first offense and between \$2,000 and \$5,000 on subsequent offenses. A potential negligible gain in revenues is projected if fines are imposed.

Mines and Reclamation – Combine two funds

The bill effectively eliminates the Defaulted Areas Fund and transfers the balance of those monies to the Reclamation Supplemental Forfeiture Fund. Monies formerly credited and transferred to Defaulted Areas are now credited and transferred to Reclamation Supplemental Forfeiture Fund. Monies can be transferred into the Reclamation Supplemental Forfeiture Fund from 529 725-639 Unreclaimed Lands Fund, 526 725-610 Strip Mining Administration Fees (referred to as the Coal Mining and Reclamation Reserve Fund in the bill), and the appropriate revenue from the mineral severance taxes.

Mines and Reclamation – Additional severance tax made permanent

The bill makes *permanent* the additional severance tax of 1 cent per ton of coal that is credited to the Reclamation Supplemental Forfeiture Fund under existing law and currently imposed only when the balance of that fund is reduced below \$2 million and five hundred thousand dollars has been transferred to the Reclamation Supplemental Forfeiture Fund from the Unreclaimed Lands Fund during the fiscal year. The tax is currently in effect and has been for at least the last few years.

Division of Parks and Recreation – New fee

The bill would allow the Division of Parks and Recreation to charge check collection charges for checks that are returned to the division or dishonored for any reason. There were 354 returned checks in 1997 for a total amount of \$34,750.36. The department currently gets charged \$5 from the bank for these returned checks. If the department imposes a \$5 fee on the individual for returned checks, there would be an revenue gain of approximately \$1,770. This gain would offset a portion of their expenses for processing these returned checks.

Division of Recycling – Modification to JSWMD match calculation

The division currently calculates the *average* match percentage for Joint Solid Waste Management Districts. For example, if three districts are participating in a single grant application and the required match percentages as individual districts are 0%, 10%, and 20%, then the average match percentage for the application would be 10%. Each individual district would then be responsible for contributing a 10% match to the grant. There would be no fiscal impact since the division is currently calculating the match in this way. This provision codifies their current practice. [See attachment B for the Potential Recycle, Ohio Match percentages for multi-county solid waste districts. See attachment C for a listing of Ohio per capita income by county for variable percent match activities.]

Division of Water – Selling/leasing/transferring mineral rights

The bill would allow the division to sell, lease, or transfer mineral rights on canal lands. This provision might also be used in those cases where an operator was working within a certain distance of division owned canal lands and needed permission from the division to do so. Any potential revenue gained from this provision would be deposited into the Canal Lands Fund.

Division of Water - Removal of civil penalty

The division does not currently impose civil penalties against individuals who take or divert water for residential or agricultural use. The changes made by this provision would codify the division's current practice. Since the division is not collecting any civil penalties for this provision now, there would be no loss of revenue in the future.

Division of Watercraft – Authority to charges for some services and to sell items

The bill would authorize the division to charge a fee for various boating classes, law enforcement services provided at special events, and the inspection of vessels or motors. The division currently provides a variety of courses including classes on general boating safety, sailing, basic river rescue, water rescue instructor, basic marine patrol, marine theft detection, and detection/apprehension/prosecution. The division currently charges fees for these courses, but they vary greatly depending on the course. Primarily, the fees cover supplies and materials. The following list provides a few examples of the fees: general boating safety class - \$10, sailing class - \$35, marine theft detection - \$50, basic river rescue - \$125. The average class size ranges from 25-40 individuals. The general boating education courses are offered 125 times a year (approximately 3,000 boaters per year). River rescue related courses are offered between 4-10 times per year depending on the course and demand. With respect to boater education courses, this provision would codify current practice and there would be no fiscal impact.

Under the bill, the division could charge a fee for those special duty events (not directly related to boating) for which watercraft enforcement services were requested. An example of

this type of event would be the Buckeye Lake Parade of Homes. The division gets approximately 2-3 requests for this type of service per year. The division is not currently providing this service since it is outside the normal scope of watercraft duties and there is no mechanism by which the division can charge for these services. The estimated fee for watercraft law enforcement officers would be approximately \$55 per hour. There will be a minimal gain in revenue from this provision.

The bill would also authorize the division to charge a fee for the inspection of vessels or motors. The division currently performs approximately 300 of these inspection per year, free of charge, under their Hull Inspection/Identification Program. The division does not intend to impose charges for this service, but this provision would allow other state agencies who perform inspections on behalf of the division, to charge a fee. The division estimates that only a handful of inspections are done by other state agencies. There would be no fiscal impact to the division from this provision and for all intents and purposes, there would be no fiscal impact on other state agencies.

Division of Wildlife – New Wild Animal Fund

The bill would authorize the division to sell wild animals and deposit those funds into a new fund, the Wild Animal Fund. The division estimates that, initially, they would be selling turkeys to states who are returning wild turkeys back to their historical ranges. The division would probably sell about 100 turkeys per year at a price of \$200-\$500 each. The projected revenue gain from these sales would be approximately \$20,000-\$50,000 annually. The division has an existing trap and transfer program where wildlife staff move wild turkeys within the state. This provision would be an extension of this program whereby turkeys would be sold and moved out of state.

Division of Wildlife – Existing licenses expanded to include reptiles and amphibians

The bill would include reptiles and amphibians under the definitions for commercial propagating licenses and noncommercial propagating licenses. The current fee for the commercial propagating license is \$25 per year. The current fee for the noncommercial propagating license is \$10 per year. Since the bill expands the definitions for these licenses, there is a potential that there will be an increase in the sale of these licenses. The division is projecting a potential 500-1,000 additional permits per year. There is a potential revenue gain of \$5,000-\$25,000.

Division of Wildlife – Exclusion of applicants rehabilitating wild animals from paying a fee

The bill would exclude applicants desiring to rehabilitate wild animals from paying a fee for a wild animal collecting permit. Applicants who rehabilitate wild animals would still need to obtain a permit. The current fee for a wild animal collecting permit is \$10. There are approximately 70 of these types of applicants. There will be a negligible revenue loss of approximately \$700.

Division of Wildlife – Change in Tourist Small Game License

Under the bill, the term “small game” is removed from the license name and from the definitions listed in Sec. 1531.01. This change effectively expands the types of animals that can be hunted under this license. Under current law, a tourist small game license allows the holder to hunt a specific subset of the definitions of game birds and game quadrupeds (pheasants, quail, ruffed grouse, sharp tailed grouse, pinnated grouse, Hungarian partridge, Chukar partridge, woodcocks, black breasted plover, golden plover, Wilson’s snipe or jacksnipe, greater and lesser

yellowlegs, rail, coot, gallinules, ducks, geese, brant, crows, rabbits, gray squirrels, black squirrels, fox squirrels, red squirrels, and groundhogs or woodchucks). Under current law, holders of a tourist small game license are not authorized to take or possess ducks, geese, or brant without obtaining a wetlands habitat stamp.

Under the bill, the holder of a tourist's license would be able to hunt game birds (mourning doves, ringneck pheasants, bobwhite quail, ruffed grouse, sharp-tailed grouse, pinnated grouse, wild turkey, Hungarian partridge, chukar partridge, woodcocks, black-breasted plover, golden plover, Wilson's snipe or jacksnipe, greater and lesser yellowlegs, rail, coots, gallinules, duck, geese, brant, crows) and game quadrupeds (cottontail rabbits, gray squirrels, black squirrels, fox squirrels, red squirrels, flying squirrels, chipmunks, groundhogs or woodchucks, white-tailed deer, wild boar, and black bears). The bill still prohibits the taking or possessing of deer, wild turkeys, fur-bearing animals, ducks, geese, brant or any nongame animal with a tourist hunting license. The license fee for a tourist's license is unchanged (\$24). It is projected that with the expansion of the types of game that can be hunted with this license, that there may be an increase in the number of tourist licenses sold.

Division of Wildlife – Change in definition for free fishing license

The bill replaces the term “handicapped” with “mobility impaired or blind” person with respect to the issuance of free fishing licenses. This change in terminology is expected to decrease to some degree the number of free fishing licenses issued to this particular group of people.

Division of Wildlife – New permit and new violation

The bill requires the division to adopt rules establishing standards and guidelines for the administration of contraceptive chemicals to noncaptive wild animals. Persons who wish to administer contraceptive chemicals to noncaptive wild animals must first obtain a permit from the division. Currently, the division is not intending to impose a fee for this permit. A new violation is created for those persons who fail to obtain a permit before administering contraceptive chemicals. A person who violates this provision would be guilty of a misdemeanor of the third degree on the first offense (maximum sentence of 60 days and maximum fine of \$500) and guilty of a misdemeanor of the first degree on subsequent offenses (maximum sentence of 6 months and maximum fine of \$1,000). Counties and municipalities could experience a minimal increase in expenditures for potential court hearings, and counties could experience a minimal increase in costs for prosecution and incarceration because of the new violation created. Counties would receive fine revenues for cases charged under state law.

Division of Wildlife – Recover investigating costs

In those cases where the division investigates the death of wild animals due to pollution, the division is currently charging those responsible for the pollution for related expenses, such as staff time, lab fees, samples, etc. There are approximately 25 of these types of investigations per year. This provision codifies the current practice of the division. Therefore, there is no fiscal impact.

Division of Wildlife – Ginseng management program

The bill would transfer the ginseng management program from the Division of Natural Areas and Preserves to the Division of Wildlife. There would be a potential revenue gain of \$10,000 if the division continues the \$1 per pound for certification. There would be offsetting expenditures for staff time for certification services and administration of the program. The Division of Wildlife currently provides enforcement services for this program.

PUCO – Exclusion of certain activities from regulation

The bill removes from the description of “natural gas company,” and thus from PUCO regulation, a person when engaged in the business of supplying natural gas to gas companies or to natural gas companies in Ohio and also removes the exception to that description for producers who are supplying only gas from their own property. This provision codifies PUCO’s current practice and should not have a fiscal impact.

□ *LBO staff: Joni Leone, Budget/Policy Analyst*

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Attachment A – DNR Funds affected by provisions of SB 187

Attachment B – Potential Recycle, Ohio match percentages for multi-county solid waste districts

Attachment C - Ohio per capita income by county for variable percent match activities

Attachment A
Department of Natural Resources
Funds affected by provisions in SB 187

Fund Number and Name	Current Appropriations 1998 / 1999	Provisions under the bill with potential fiscal impact	Effect of Provisions
GRF 741-321 Div. of Natural Areas	\$3,093,164 / \$3,166,2334	Increase in operating expenses to cover increased employer retirement contributions for preserve officers	Expenditure increase of approx. \$20,000
GSF 507 725-681 Departmental Serv.	\$735,230 / \$762,054	Transfer out - ginseng program to Wildlife	Revenue loss of approx. \$10,000 annually, but offset by decrease in expenditures.
SSR 509 725-602 State Forest	\$1,533,470 / \$1,544,126	1. Authorized to collect fees that benefits private lands or waters 2. Authorized to sell products from state nurseries	1. Potential revenue gain from charging landowners for staff time up to \$300,000 2. Potential revenue gain from sale/lease of minerals on state nursery property
SSR 511 725-646 Statewide Mapping	\$773,511 / \$786,356	Transfer in – fine monies used to go to Permit and Lease	Potential negligible revenue gain if fines imposed
SSR 514 725-606 Permit and Lease	\$749,406 / \$816,697	Transfer out – fine monies will now go to Statewide Mapping	No effect – to date, no fines imposed.
SSR 609 725-658 Defaulted Areas	\$301,069 / \$309,431	Eliminated – monies transferred to Reclamation Supplemental Forfeiture	Fund is eliminated and monies transferred out.
SSR 531 725-648 Reclamation Supplemental Forfeiture	\$1,983,829 / \$991,392	Monies from first additional 1 cent per ton severance tax is made permanent. Transfer in – monies from Defaulted Areas fund and monies from the second additional 1 cent per ton severance tax.	Gain of all Defaulted Area Fund-related monies
GSF 430 725-671 Canal Lands	\$933,619 / \$925,347	Authorized to sell/lease/transfer mineral rights	Potential revenue gain – undetermined amount
015 725-XXX Wild Animal	NEW	Authority to sell wild animals	Potential revenue gain of \$20,000-\$50,000 per year.
015 740-321 Wildlife Conservation	\$45,261,203 / \$37,056,106	1. Reptiles or amphibians – new licenses either \$25 or \$10 per year 2. Transfer in - ginseng program from Natural Areas 3. Change in Tourist License 4. Applicants who rehabilitate wild animals not required to pay fee	1. Potential revenue gain of \$5,000 to \$25,000 2. Revenue gain of approx. \$10,000 annually, but offset by increase in expenditures. 3. Potential increase in sale of tourist licenses 4. Negligible revenue loss - \$700 annually
Parks and Recreation (Fund number not known at this time)	--	Authority to charge fee for returned/dishonored checks	Negligible revenue gain from check collection charges which would offset administrative costs
086 739-321 Div. of Watercraft	\$8,648,454 / \$8,881,397	Authority to charge for classes, law enforcement services, inspections, and to sell items.	Potential negligible revenue gain