

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 948 (Second Edition)

SHORT TITLE: Clarify Authority/Regulation of Cervids

SPONSOR(S): Representative A. Williams

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
General Fund					
NCDACS			No Fiscal Impact		
Dept of Correction			Unable to determine exact amount; no significant impact anticipated.		
Judicial Branch			Unable to determine exact amount; no significant impact anticipated.		
Wildlife Resources					
Commission Receipts	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
EXPENDITURES					
General Fund					
NCDACS	\$39,338	\$40,733	\$42,072	\$43,419	\$44,815
WRC – position & operating support*	\$44,295	\$45,750	\$47,144	\$48,550	\$50,004
POSITIONS: (cumulative)	2.0	2.0	2.0	2.0	2.0
<i>*Note: The WRC position will be receipt supported therefore the net General Fund impact to WRC is zero.</i>					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Wildlife Resources Commission, Department of Agriculture and Consumer Services, Department of Corrections, and Judicial Branch.					
EFFECTIVE DATE: Amended G.S. 113-294 subsection (o) becomes effective Oct. 1, 2003. Remainder of bill is effective when it becomes law.					

BILL SUMMARY: HB 948 clarifies the role of the Wildlife Resources Commission and the Department of Agriculture and Consumer Services with respect to the regulation of cervids (deer and elk). G.S. 113-272.6 provides the Wildlife Resources Commission with the ability to regulate the transportation, importation, exportation, and possession of cervids. The Wildlife Resources Commission is also authorized to charge up to a \$50 application fee for cervid captivity licenses. In addition, the Department of Agriculture and Consumer Services will regulate the production and sale for commercial purposes of cervids other than white-tailed deer. Wildlife Resources will notify applicants for transportation permits that the activity is authorized subject to the applicant's compliance with the Department of Agriculture's transportation requirements. Any captivity license, permit or cervid held contrary to the provisions of the new section could be subject to forfeiture. The legislation also amends G.S. 113-291.2 by adding a new subsection (c1) authorizing the Executive Director of the Wildlife Resources Commission to adopt rules regulating the importation, transportation, or possession of any carcasses or parts of carcasses that are known to or suspected to carry an infectious disease that poses an imminent threat to the health or habitat of wildlife species. The definition of farmed cervid is also added. G.S. 113-294 is amended with the addition of a new subsection (o) making it a Class 1 misdemeanor to import or possess black-tailed or mule deer which would become effective October 1, 2003. The remainder of the bill is effective when it becomes law.

ASSUMPTIONS AND METHODOLOGY:

A captivity license, captivity permit and a transportation permit are all identified in HB 948. There are no fees associated with captivity or transportation permits, however, there are some administrative costs incurred by the issuance of such permits. According to the Wildlife Resources Commission (WRC), no captivity permits would be issued for any cervids identified in HB 948. For the purposes of this fiscal note, only captivity licenses and transportation permits will be addressed.

Wildlife Resources Commission

Currently, the Wildlife Resources Commission regulates the transportation, importation, exportation and possession of cervids and captive cervid facilities (facilities). The rise in the number of deer diagnosed with Chronic Wasting Disease (CWD) has created the need for increased enforcement of those regulations including establishing standards of care for the transportation and possession of cervids, requirements for fencing, tagging, record keeping, and inspection of facilities. The WRC does not anticipate additional enforcement costs above and beyond their existing operating budget.

Captivity licenses currently cost \$5. In addition to the captivity license fee, the WRC anticipates charging the full \$50 application fee to create additional revenue and to allow WRC to enforce facility regulations. There are 140 such facilities in the state; approximately 80 are currently licensed and approximately 60 are unlicensed. The Commission estimates that a \$50 per application fee for a captivity license would generate \$7,000 annually when all 140 facilities applied for a captivity license. Each facility would also pay \$50 annually to renew or modify existing licenses. The WRC has no estimate as to the number of facilities that may or may not operate in future years because of the fluctuating nature of the business, thus the estimate is based on the number of existing facilities.

	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
Number of Applications	140	140	140	140	140
Cost Per Application	\$50	\$50	\$50	\$50	\$50
Total Revenue	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000

The additional administrative costs to coordinate application and enforcement efforts will require one additional position, a Wildlife Biologist I, with salary and benefits totaling \$37,295 per year with adjustments for inflation in future years. The WRC anticipates paying for this position with existing receipts. The WRC also estimates that other administrative costs associated with the captivity license fee and the transportation permits including equipment, paper, printing, postage and travel would total \$7,000 and would be paid for using the additional application fee revenues. **Since the added position would be receipt supported and the additional administrative costs would be covered by application license fee revenues, there is no fiscal impact on the General Fund.**

Department of Agriculture and Consumer Services

The North Carolina Department of Agriculture and Consumer Service's (NCDACS) Veterinary Services Division currently works in conjunction with the WRC on all facility inspections. NCDACS is now also responsible for all farmed cervids and those being raised for any commercial purpose other than white-tail, black-tail, and mule deer and elk. With this expansion, NCDACS would see an increase in the number of facilities they would need to inspect. According to NCDACS, to adequately administer inspections an additional Animal Health Technician would be needed with salary and benefits totaling \$35,778 per year with adjustments for inflation in future years. Additional laboratory costs would also be incurred to conduct necropsy and sample preparation which would then be sent to approved labs for testing. Shipment and sample costs would total \$3,560. **The total fiscal impact on the General Fund for FY 2003-04 would be \$39,338.**

Judicial Branch

For most criminal penalty bills, the Administrative Office of the Courts (AOC) provides Fiscal Research with an analysis of the fiscal impact of the specific bill. For these bills, fiscal impact is typically based on the assumption that court time will increase due to an expected increase in trials and a corresponding increase in the hours of work for judges, clerks and prosecutors. This increased court time is also expected to result in greater expenditures for jury fees and indigent defense. The AOC notes that data is unavailable concerning the number of charges that may result under this bill as data are unavailable on how common the existence of black-tailed or mule deer is across the State. For offenses that are brought to trial as Class 1 misdemeanors, the estimated court cost per trial is \$3,144. For Class 1 misdemeanor offenses not brought to trial, and where a guilty plea is entered, AOC estimates the cost per guilty plea at \$279.

Department of Correction

The Sentencing and Policy Advisory Commission prepares inmate population projections annually. The projections used for incarceration fiscal notes and fiscal memos are based on January 2003 projections. These projections are based on historical information on incarceration and release rates under Structured Sentencing, crime rate forecasts by a technical advisory board, probation and revocation rates, and the decline (parole and maxouts) of the stock prison population sentenced under previous sentencing acts. Based on the most recent population

projections and estimated available prison bed capacity, *there are no surplus prison beds available for the five year Fiscal Note horizon and beyond.* The number of beds needed will always be equal to the projected number of inmates due to a bill.

Since the proposed bill creates a new offense, the Sentencing Commission does not have any historical data from which to estimate the impact of this bill on the prison population. It is not known how many offenders might be sentenced under this bill. The Sentencing Commission notes that in FY 2001-2002, 15.8 percent of Class 2 misdemeanor convictions resulted in active sentences. The average estimated time served was 35.2 days. Active sentences between 1-90 days are served in local jails; the DOC reimburses counties for active sentences between 30-90 days at a cost to the state of \$18/day. Most Class 1 misdemeanants receive community or intermediate sanctions. In 2001-2002, costs for these non-active sentences ranged from \$1.83 to \$11.47 per offender per day.

SOURCES OF DATA: Wildlife Resources Commission, Department of Agriculture and Consumer Services, Judicial Branch, and Department of Correction.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Heather Martin & Stephanie Schmitt

APPROVED BY: James D. Johnson, Director Fiscal Research Division

DATE: June 4, 2003



Signed Copy Located in the NCGA Principal Clerk's Offices