



Ohio Legislative Service Commission

Tom Wert

Fiscal Note & Local Impact Statement

Bill: S.B. 293 of the 131st G.A.

Date: March 31, 2016

Status: As Introduced

Sponsor: Sen. Balderson

Local Impact Statement Procedure Required: No

Contents: Modifies the law governing the organization and administration of the Department of Natural Resources

State Fiscal Highlights

- **Division of Parks and Watercraft.** The bill creates the Division of Parks and Watercraft within the Department of Natural Resources (DNR) by merging the Division of Parks and Recreation with the Division of Watercraft. By consolidating administrative functions and sharing facilities and resources, DNR expects this merger to result in cost savings of up to \$1.1 million in FY 2016.
- **Natural Resources Law Enforcement Fund.** In conjunction with the merger, the bill creates the Natural Resources Law Enforcement Fund and credits the fund with proceeds from the forfeiture of property as a result of investigations carried out by the Division of Parks and Watercraft. Correspondingly, the bill eliminates the Parks and Recreation Law Enforcement Fund (Fund 5EM0) and the Watercraft Law Enforcement Fund (Fund 5EN0). As of March 30, 2016, Fund 5EM0 had a cash balance of just more than \$32,000 and Fund 5EN0 had a cash balance of just more than \$30,000.
- **Operation of the Wildfire Suppression Fund.** The bill allows, rather than requires, the Division of Forestry to use the Wildfire Suppression Fund (Fund 4M70) to reimburse firefighting agencies and private fire companies for their costs incurred fighting wildfires. Additionally, the bill requires that cash in excess of \$200,000 be transferred from Fund 4M70 to the State Forest Fund (Fund 5090). Current law requires the Chief to disburse excess amounts to firefighting agencies and private fire companies. Cash balances in Fund 4M70 have not exceeded \$200,000 since at least FY 2013. Reimbursement payments to firefighting agencies averaged approximately \$51,000 between FY 2013 and FY 2015.
- **Provisions with little or no fiscal effect.** Provisions with no apparent fiscal effect include codification of the organizational structure of DNR's Office of Real Estate and Land Management, changes to the laws governing the use of personal flotation devices, and consolidation or elimination of various councils and commissions.

Local Fiscal Highlights

- **Wildfire Suppression Fund.** Changes to the law governing payments from the Wildfire Suppression Fund (Fund 4M70) to reimburse local firefighting agencies for costs incurred fighting wildfires are unlikely to result in any fiscal effect for municipal, township, or fire district firefighting agencies. Total payments to these entities from Fund 4M70 averaged about \$51,000 between FY 2013 and FY 2015.
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Detailed Fiscal Analysis

The bill makes changes to the law governing the organization and administration of the Department of Natural Resources (DNR), principally by merging DNR's Division of Parks and Recreation and Division of Watercraft. The bill also modifies the law governing the Wildfire Suppression Fund (Fund 4M70) used by the Division of Forestry, changes the law governing watercraft safety and the use of personal flotation devices, and codifies the existing organizational structure of DNR's Office of Real Estate and Land Management. In addition, the bill repeals the Water Improvements Law, and consolidates existing advisory councils for wild, scenic, and recreational river areas into a single new Scenic Rivers Advisory Council. Finally, the bill eliminates various other councils and commissions. Although most of the changes made by the bill would have little, if any, fiscal effect, the merger of the Division of Parks and Watercraft would likely result in some cost savings. Additional details and potential fiscal effects are discussed at greater length under the headings below.

Division of Parks and Watercraft

The bill creates the Division of Parks and Watercraft by merging the Division of Parks and Recreation with the Division of Watercraft. This would presumably result in some administrative cost savings for DNR. Although the bill requires the Division of Parks and Watercraft to retain all the duties and responsibilities of the separate divisions, the merger provides DNR with an opportunity to combine administrative functions that are at present carried out separately by each Division under current law. Additionally, the merger eliminates the need to maintain separate offices and facilities at the Department's Fountain Square campus in Columbus and at field offices statewide. DNR expects the merger to result in cost savings totaling approximately \$1.1 million in FY 2016. Of this amount, DNR expects approximately 83% (\$936,000) to come from position consolidation and increased administrative efficiency. Leasing expenses will be reduced by 13% (\$147,000) because of field office and warehouse consolidations in Cambridge, Akron, Wapakoneta, and certain other locations. Associated with these office consolidations will be expected savings of 4% (\$46,000) in the form of reduced telecommunication and utility costs.

The merger will also result in the combination of the separate divisions' law enforcement officers. Law enforcement officers from both divisions are renamed natural resources officers under the bill and are required to generally enforce the laws that officers from both divisions enforce separately under current law. In conjunction with this change, the bill creates the Natural Resources Law Enforcement Fund and eliminates two existing funds, the Division of Parks and Recreation Law Enforcement Fund (Fund 5EM0) and the Division of Watercraft Law Enforcement Fund (Fund 5EN0). Under the bill, the new fund would be used by the Division of Parks and Watercraft for law enforcement purposes and would consist of proceeds from forfeited property as a result of investigations carried out by the Division. Currently, Fund 5EM0 and Fund 5EN0 receive proceeds from forfeitures resulting from investigations by the separate divisions. As of March 30, 2016, Fund 5EM0 had a cash balance of just more than \$32,000 and Fund 5EN0 had a cash balance of just more than \$30,000.

Division of Forestry

Wildfire Suppression Fund (Fund 4M70)

Under current law, the Chief of the Division of Forestry is required to use money in the Wildfire Suppression Fund (Fund 4M70) to reimburse firefighting agencies and private fire companies for their costs incurred fighting wildfires. Under the bill, the Chief may reimburse these agencies in counties within fire protection areas established by the bill where there is a state forest or national forest. The Chief may also reimburse agencies in additional counties with the approval of the Director of DNR. Additionally, if the balance in Fund 4M70 exceeds \$200,000, the bill requires the Chief to transfer the excess amount to the State Forest Fund (Fund 5090). Under current law, the Chief is required to disburse excess amounts to firefighting agencies and private fire companies in accordance with rules similar in purpose and operation to the Federal Rural Community Fire Protection Program. Although this appears to create the potential for municipal, township, and fire district firefighting agencies to lose payments from the fund, it is unlikely to change the amounts local firefighting agencies receive. According to data from the Ohio Administrative Knowledge System (OAKS), cash balances in Fund 4M70 have not exceeded \$200,000 back to at least FY 2013. Meanwhile, reimbursements to firefighting agencies averaged approximately \$51,000 between FY 2013 and FY 2015.

Forest fire investigators

The bill authorizes the Chief of the Division of Forestry to appoint forest fire investigators who are required to conduct investigations for the purposes of enforcement of Ohio's forestry laws, as well as laws governing arson, criminal damaging or endangering, and littering with respect to forest fires. These duties mirror those under existing law of fire wardens who are appointed by the Chief and who are

law enforcement officers under the Division of Parks and Recreation.¹ Consequently, this change appears to have little or no fiscal effect.

Timber sale surety bonds

The bill alters bond requirements governing the sale of timber or forest products from a state forest or state forest nursery. Current law requires a person or governmental entity bidding on a timber sale to execute a surety bond in an amount equal to 25% of the highest value cutting section. The bill instead requires the bond to be in an amount determined by the Chief.

Other provisions with no apparent fiscal effect

The bill contains several provisions with no apparent fiscal effect. The changes include codification of the existing organizational structure for DNR's Office of Real Estate and Land Management, revisions to laws governing the use of personal flotation devices, and the repeal of the Water Improvements Law. The bill also creates the Scenic Rivers Advisory Council by consolidating the individual scenic river advisory councils for each of Ohio's 14 scenic rivers, and eliminates four other advisory councils and one such commission. These include the Ohio Natural Areas Council supported by the Division of Natural Areas and Preserves, the Ohio Parks and Recreation Council Commission supported by the Division of Parks and Recreation, the Water Advisory Council supported by the Division of Water Resources, and the Waterways Safety Council supported by the Division of Watercraft. The bill also eliminates the Recreation and Resources Commission, consisting of the chairpersons of each of the other eliminated councils.

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¹ Beginning in FY 2013, DNR consolidated law enforcement officers from the Division of Parks and Recreation, the Division of Natural Areas and Preserves, and the Division of Forestry under the Division of Parks and Recreation.