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## FISCAL IMPACT REPORT

Herrera/Romero A./  
Trujillo, L/  
SPONSOR Gallegos DY/Akhil ORIGINAL DATE 02/05/19  
LAST UPDATED 03/11/19 HB 284/aHSEIC/aHENRC

SHORT TITLE Free Sunday State Park Admission SB \_\_\_\_\_

ANALYST Hanika-Ortiz

### REVENUE (dollars in thousands)

| Estimated Revenue |           |           | Recurring<br>or<br>Nonrecurring | Fund<br>Affected   |
|-------------------|-----------|-----------|---------------------------------|--------------------|
| FY19              | FY20      | FY21      |                                 |                    |
| N/A               | (\$161.0) | (\$215.0) | Recurring                       | OSF/State<br>Parks |

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Energy Minerals and Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of HENRC Amendment

The House Energy, Environment and Natural Resources Committee Amendment to HB 284/aHSEIC changes the effective date of the provisions of the act to November 1, 2019.

#### Synopsis of HSEIC Amendment

The House State Government, Elections and Indians Affairs Committee Amendment to House Bill 284 clarifies that residents will be provided free day-use admission on Sundays.

#### Synopsis of Original Bill

House Bill 284 provides New Mexico residents free admission on Sundays to New Mexico State Parks and other recreation areas operated by the State Parks Division at ENMRD.

### FISCAL IMPLICATIONS

If operating revenues are diminished by making Sundays free to New Mexico residents, it could

result in a higher demand on other funds, including the general fund, in the future.

State Parks reports the bill has a significant fiscal impact from the loss of self-generated day-use revenue. State Parks rely on 75 percent self-generated funds and 25 percent general fund. State Parks annual day-use admissions, not including the sale of the annual day use pass, averaged \$1 million over the last ten fiscal years and account for 4 percent of the State Park revenue base.

Since HB 284 only addresses day-use Sunday admissions, State Parks estimates \$215,000 in lost revenue per year and potential reduced sales of the popular annual day-use pass. If not supplemented by general fund, it could mean reduced operations and services from State Parks.

### **SIGNIFICANT ISSUES**

Under the current operating budget, State Parks funding is about 25 percent general fund and 75 percent other revenues, which includes visitor fees. Eight years ago, State Parks were funded with 31 percent general fund and 69 percent other revenues, and total revenues were as much as \$35 million. For FY18, total revenues were \$26 million, which has resulted in reduced services.

Over the past three fiscal years, general fund support for State Parks was \$8 million in FY17, \$7.3 million in FY18 and \$7.4 million in FY19. Other revenues, which include admission fees and federal funds, were \$19 million in FY17, \$21.4 million in FY18 and \$22.1 million in FY19.

State Park fees for entry, camping and utilities, and facilities are some of the lowest in the country. Admission is \$5 per vehicle for day use, \$8 per night for primitive camping and \$10 for a developed camping site. In Texas, Colorado, Utah, and Arizona, fees vary by park, method of entry, and type of day. For example, Arizona has a daily vehicle entrance fee that ranges from \$7 to \$30 depending upon the park and whether admission is on a weekend or holiday, and Colorado parks charge between \$7 and \$9 per vehicle for day use. In addition, New Mexico State Parks provide free annual day use permits to NM veterans with 50 percent or more disability and a discounted \$100 annual camping permit for seniors, age 62 plus, and persons with disabilities.

### **PERFORMANCE IMPLICATIONS**

The bill would require park staff to verify the residency of day-use visitors on Sundays to ensure that non-residents pay the day-use fees. Further, due to seventy position cuts the last eight years and a high vacancy rate, State Parks reports this verification process will take staff away from their primary duties which include public safety, education, and resource protection.

### **ADMINISTRATIVE IMPLICATIONS**

As of September 2018, EMNRD's State Parks Division had a vacancy rate of 25 percent, which may be adversely impacting revenue due to lack of enforcement of the user fee payments.

### **RELATIONSHIP**

Relates to Senate Bill 53 (Accessible & Affordable State Parks) and House Bill 303 (Foster Family Park & Museum Free Admission)