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FISCAL IMPACT REPORT

SPONSOR Silva DATE TYPED 2/2/2004 HB 417

SHORT TITLE Nonresident and Temporary Game and Fish Licenses SB _____

ANALYST Aguilar

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$450.0	\$1,500.0	Recurring	Game Protection Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB2

SOURCES OF INFORMATION

Report of the Legislative Finance Committee to the Forty-Sixth Legislature, Second Session, January 2004 for Fiscal Year 2004 – 2005, pp. 377 – 381.

Responses Received From

Department of Game and Fish
Taxation and Revenue Department

SUMMARY

Synopsis of Bill

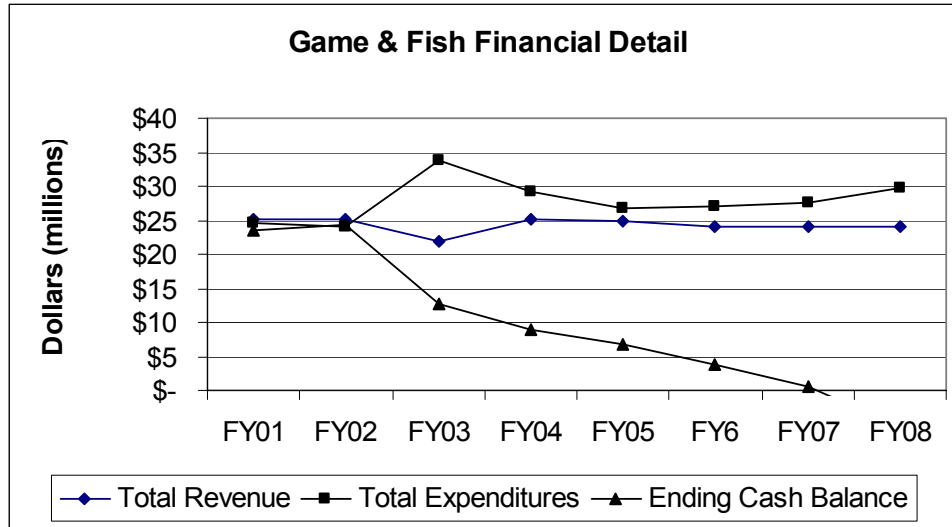
House Bill 417 raises license fees for certain non-resident and temporary hunting and fishing licenses.

The effective date of the provisions of this act is April 1, 2005.

Significant Issues

The Department of Game and Fish generates the majority of its revenue through the sale of hunting and fishing licenses, with fees fixed by statute. Inflation and appropriations for non-recurring projects have caused overall expenditures to surpass revenues, reducing cash balances in the fund. This has produced a situation where increasing revenue has become a priority. Increasing license fees is one way the department has identified to generate additional revenue.

In recent years, the game protection fund has provided opportunities for the department to complete several projects, such as the construction of its headquarters building, construction of fish hatcheries and the purchase of Eagle Nest Lake. Current estimates show that the fund is declining to a critical level. Revenues to the department are off from October through March requiring a minimum cash balance of \$6 million. Department estimates indicate the fund may fall below this threshold by the end of FY06.



Source: New Mexico Department of Game and Fish

The license fees amended in this bill are sold during the hunting and fishing license year that runs from April 1st to March 31st. To allow for production of printed materials and updates to computer systems as well as proper notification to the public, the effective date of this legislation is April 1, 2005.

FISCAL IMPLICATIONS

The department reports that at current sales levels, the changes proposed in this bill will generate an additional \$1.5 million in annual license revenue. This will allow the agency to continue operating at current levels until fiscal year 2007. Without the proposed increase, current cash balances will only sustain the agency's operations through fiscal year 2006.

OTHER SUBSTANTIVE ISSUES

The agency notes that the additional revenue generated by this license fee adjustment will forestall the need for an overall increase in fees for both residents and nonresidents, but will not eliminate the need to make adjustments to the agency's fee structure in the future.

PA/yr