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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/16/09

SPONSOR SFC LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Disabled Veteran Game & Fish Benefits SB 669/SFCS

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)<sup>1</sup>

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	-\$20.0	\$174.0	\$174.0	19800,09700, 30700,49400, 54900,77200

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Game and Fish (DGF)

### SUMMARY

#### Synopsis of Bill

Senate Finance Committee Substitute for Senate Bill 669 seeks to create a reduced-fee combination small game hunting and fishing license to any resident disabled veteran whose disability was a result of service with the armed forces of the United States. This is an additional license type being offered to qualified resident Disabled Veterans.

<sup>1</sup> Revenue implications included in DGF response dated 3-16-09.

## **FISCAL IMPLICATIONS**

DGF notes that there are approximately 26,000 disabled veterans (DAVs) currently residing in New Mexico. Of those 26,000 DAVs, 3,200 are considered to be 100% disabled. Therefore the potential licensee pool for DAVs other than those who are 100% disabled is 22,800. If the Department were to provide a reduced-fee small game and fishing license to the 22,800 DAVs, the fiscal impact to the Department is estimated to be as follows:

- The Department currently assumes that 15% of 22,800 resident DAV participate in some type of hunting or fishing activity, leaving a potential of new licensees at 19,380. By offering the reduced-fee resident small game and fishing license, the Department estimates that 10% of the 19,380 may take advantage of the new license type. This means that the Department will see an increase of 1,938 resident license holders. With this increase, the Department will see an increase of \$19,380 in license revenue and \$124,032 additional federal revenue from the Wildlife Restoration Program and \$69,768 from the federal Sport Fish Restoration program.
- However, because the Department will be offering a reduced-fee license to disabled veterans who may already participate in some form of hunting and fishing annually and who currently purchase a full-fee combination hunting and fishing license, the Department could recognize a loss in revenue due to the decrease in the license fee being paid by DAV sportspeople.
- Based on the 15% participation rate (3,420 participating DAVs) the Department believes 50% currently purchase the small game and fishing privileges, either through the combination license or through other license types (1,710 participants). Therefore, offering a reduced-fee resident small game and fishing license would reduce revenue by approximately \$23.00 per license, for a total decrease of \$39,330 in FY 2010.

DGF concludes that, “Overall, while the Department may see a slight decrease in license revenue, the Department could potentially recognize an increase in federal revenue due to a potential increase in DAVs who purchase the reduced-fee license.

## **SIGNIFICANT ISSUES**

DGF indicates that, in order to properly distribute the new license type to eligible Disabled Veterans, the Department would need to modify administrative process that would allow eligible Disabled Veterans to receive their licenses in an uncomplicated manner. The Department would only be able to offer the new license types through Department offices because the persons eligible for these licenses would need to be certified through the Department of Veterans Services and the Department of Game and Fish. A sales clerk at one of the other license vendors would not have the means to verify this eligibility. Licenses will be available through the Department’s 5 office locations and also by mail or online.

## **PERFORMANCE IMPLICATIONS**

None noted by respondent.

**ADMINISTRATIVE IMPLICATIONS**

DGF states, “The new license type will have to be developed and incorporated into the Department current over-the-counter system and the Department will provide additional training to Department Staff regarding the issuance of this new license type.”

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None noted by respondent.

**TECHNICAL ISSUES**

None noted by respondent.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

DGF states, “Disabled Veterans who do not qualify as 100% disabled will not be able to purchase a discounted combination small game hunting and fishing license.”

**AMENDMENTS**

None suggested by respondent.

BW/svb