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FISCAL IMPACT REPORT

ORIGINAL DATE 02/27/13
LAST UPDATED 03/07/13 **HB** 569/aHHGAC

SPONSOR Sandoval

SHORT TITLE Game & Fish License Time Period **SB** _____

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	(\$70.0)	(\$350.0)	(\$80.0)	(\$500.0)	Nonrecurring	Game Protection Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Department of Game and Fish (DGF)

SUMMARY

Synopsis of HHGAC Amendment

1. On page 2, between lines 8 and 9, insert the following new section:

"SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is April 1, 2014."

Synopsis of Original Bill

House Bill 559 amend Section 17-3-1 NMSA 1978 to make hunting and fishing licenses valid for one year from the date of issuance. Currently, the license year begins on April 1 and ends on March 31 regardless of when the license is issued.

FISCAL IMPLICATIONS

The DGF does not anticipate that the direct revenue from Department licensing activities will be significantly impacted due to a change in the valid dates of Department licenses. It is the expectation that current license holders will adjust to the change with an active outreach program implemented by the DGF. However, the potential revenue generated from federal sources could

experience a slight decrease in the year the change becomes effective, due to the process all states use to certify the number of paid hunting and fishing license holders. The level of federal funding the Department receives each year is dependent on the number of paid license holders.

The fiscal impact to the DGF will be to the operating budgets for the next three fiscal years; totaling an estimated \$500,000 in cost. In order to meet the requirements of the bill, the Department would be required to revise all online sales systems and State Game Commission (SGC) rules – both licensing and valid hunt dates for certain year-round license types – to reflect the new license date requirements, and all the current paper documents associated with licensing (such as the annual rules and information booklet) would have to be revised. The documents for the license year beginning April 1, 2013 have already been printed and delivered, so the Department recommends delaying the effective date of this bill.

Additionally, the DGF would need to develop and implement an aggressive public outreach campaign to educate Department license buyers about the change and how it would impact them. In particular, the license holders would need to be educated about being mindful of the expiration dates of their particular licenses, so as to not be utilizing an expired license. The vendors that sell our licenses would also need to be educated and trained in how to sell the new licenses.

SIGNIFICANT ISSUES

Currently, all DGF licensing systems are based on the April 1 through March 31 year. The change proposed in the bill will require the Department to reprogram the license sales system. It is estimated that it would take four to six months to reprogram all the current computer systems. This reprogramming would be performed to the exclusion of other Department programming needs, impacting other system maintenance requirements.

The DGF would be required to review and revise all SGC rules that establish valid hunt dates, hunter harvest reporting requirements and valid license dates for licenses that are valid for “year-round” hunting and fishing and revise all language regarding the valid license period. Currently all SGC rules are based on the April 1 to March 31 license year. There would need to be a transition period to allow the Department to update all of the pertinent licensing and hunt structure rules to be in alignment with the bill as proposed.

The DGF would have to complete a thorough analysis of projected monthly revenue in order to ensure that any changes in annual license buying habits would not leave the Department in a position to not meet the financial obligations of the Department in future fiscal years. The Department’s annual revenue is very seasonal, with most revenue coming into the Department in the spring and early fall. Changing the timing of license purchases could potentially change cash flow patterns as monthly revenues change, so the Department would need to monitor revenues to ensure financial obligations can be met through the fiscal year.

MW/svb:blm