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FISCAL IMPACT REPORT

SPONSOR Townsend/Gomez/ Herrell/Ezzell/Wooley **ORIGINAL DATE** 2/8/17 **LAST UPDATED** _____ **HB** 333
SHORT TITLE Elk Hunting Licenses & Grazing Allotments **SB** _____
ANALYST Armstrong

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
See narrative			Recurring	Game Protection Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Game and Fish (DGF)

SUMMARY

Synopsis of Bill

House Bill 333 (HB333) directs the state game commission to adopt rules to issue hunting licenses, permits, and tags in amounts large enough to reduce elk herd sizes on federal lands in an equal proportion to the amount of allotments reduced by the respective federal agencies for livestock grazing.

FISCAL IMPLICATIONS

While increased elk licenses, permits, and tags would result in a short term increase in revenue to the game protection fund, the amount is unclear because the increase in permits that could occur under HB333 is unknown. Lower elk populations as intended by the bill could reduce DGF's ability to generate revenue in the long-term. DGF analysis notes:

The hunting industry provides a significant economic boost to rural areas. Hunters purchase landowner authorizations from landowners, purchase gas and groceries from local stores, eat at local cafes and restaurants, hire local guides and outfitters and stay in local hotels/motels/RV parks. The initial economic impact might not be significant but over the long term a reduction in elk herd size would result in fewer hunters that would equate to fewer dollars spent in these rural areas. This could have a devastating impact on rural economies.

SIGNIFICANT ISSUES

Federal land management agencies generally determine allotments for livestock grazing on an annual basis. Allotments are specific areas and the number of domestic animals can easily be controlled. The federal agencies use several factors to determine allotment numbers including precipitation, available forage, overgrazing, fire and habitat work within the boundaries of the allotment. These factors could lead to a reduction in livestock grazing within a specific allotment.

Under United States Forest Service policy, if there are permanent reductions of livestock numbers on an allotment, the Forest Service must complete at a minimum an Environment Assessment (EA) or an Environmental Impact Statement (EIS). Both are subject to review and potential litigation delaying any reductions.

The Department currently develops its hunting regulations for elk on a four year cycle with specific management objectives on a statewide basis. As part of this process, the Department solicits comments and suggestions for regulation development from the federal land management agencies, private landowners, outfitters, tribal entities, and sportsmen. Furthermore, the Department conducts annual coordination meetings with federal land management agencies to discuss wildlife and habitat related issues.

DGF currently develops its hunting regulations for elk on a four year cycle with specific management objectives on a statewide basis. As part of this process, the department solicits comments and suggestions from federal land management agencies, private landowners, outfitters, tribal entities, and sportsmen, and conducts annual coordination meetings with federal agencies to discuss wildlife and habitat related issues.

DGF analysis highlighted many concerns about HB333, including:

- The department does not determine elk herd size by land status and it will not be possible to reduce elk numbers exclusively on federal lands. If elk are harvested heavily on federal land, they will likely move onto adjacent lands that are not being hunted as heavily. Depending on tribal or private lands wildlife management objectives, productive elk herds may expand into areas that are targeted for population size reduction, potentially limiting the desired management outcome. When hunting pressure lessens, elk will move back into their preferred areas.
- Livestock mobility is restricted to specific allotments, while elk forage over a larger spatial area and are unrestricted by typical livestock fencing. Livestock numbers can generally be adjusted quickly, meeting management objectives on an annual or seasonal basis based on range conditions. However, it is not possible adjust elk numbers in such a precise manner. It will take years for elk populations to rebound after herd size reductions.
- Elk calf survival rates vary depending on a variety of factors, many of which the department has no control over. If elk herds are decreased and calf survival is low due to predation, weather conditions, or other factors, this would ultimately result in even lower populations and be detrimental to all hunting opportunities for that herd.

- The Department issues hunting licenses based on estimated success rates which are calculated by averaging previous hunt success rates. Success varies by weather, elk use patterns, hunter effort, and other factors the department cannot predict. If the elk herd is over-harvested because of something outside of the department's control, it will take many years to recover the population to the identified carrying capacity.
- Elk management is not restricted to federal lands, and decreasing a herd without stakeholder agreement or involvement can negatively impact stakeholder relations and be contrary to management objectives.
- If this bill were to be passed, the Department would have to immediately respond with a reduction in the elk herd proportionally to any reduction in allotment numbers. The timing of the response could have serious social implications. For example, if allotment numbers were reduced in the spring time, the department would need to reduce elk numbers accordingly. During this time of the year, cow elk are in the latter stages of pregnancy and the fetuses are fully developed. Any hunter killing a pregnant cow elk killed would see the fully developed fetus when the animal was "gutted". Furthermore, any cow elk killed after the last part of May or first part of June would have already given birth to their calves and their calves would be abandoned leaving them with no chance of survival. These elk calves would starve to death or be killed by predators. Essentially, the hunters would be killing two elk instead of one. Also, during this time of the year, bull elk antlers are not fully developed leaving them less desirable as trophies.

OTHER SUBSTANTIVE ISSUES

DGF has taken a proactive approach to wildlife habitat restoration throughout the state and supports restoration partnerships and landscape-scale habitat treatments within prioritized areas. Through these partnerships, DGF allocates available resources toward multi-agency restoration projects that will improve habitat conditions for wildlife and general forage conditions for wildlife and livestock. Landscape-scale restoration influences ecological processes such as wildlife population and movement dynamics, watershed condition, forage and water distribution and availability, and wildfire behavior. DGF has committed \$25 million over the next five years to increase the scope and scale of this restoration statewide.

TECHNICAL ISSUES

DGF analysis states HB333 does not define the scale at which it is to be implemented. The bill provides that permits issued for elk herd reductions shall be increased proportionally to the amount of reductions in federal livestock grazing allotments. However, it is unclear if this is to be based on the total number or acreage of allotments or the total number of livestock allowed on allotments. Additionally, the bill provides that permits should be increased to reduce elk herd sizes on federal lands, but DGF manages all wildlife and fish across all of New Mexico. DGF notes that management of elk on federal lands only is contrary to the department's strategy.