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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/17
SPONSOR Sanchez **LAST UPDATED** _____ **HB** _____

SHORT TITLE Free State Park Passes for People Over 65 **SB** 70

ANALYST Armstrong

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
	(\$780.5)	(\$780.5)	Recurring	State Parks Division Operating Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 70 (SB70) requires the State Parks Division (SPD) to provide free passes for unlimited entry to state parks or recreation areas operated by SPD to New Mexico residents who are 65 years of age or older.

FISCAL IMPLICATIONS

SPD generates approximately \$4.94 million through annual park fee revenue, but does not track park visitor demographics. According to U.S. Census Bureau estimates as of July 1, 2016, 15.8 percent of the total population of the state are over 65 years of age. SPD tracks demographics of individuals using its website through Google Analytics, and Seniors make up 18 percent of visitors. Assuming the percentage of park visitation correlates with the population of the state, SPD would incur an annual loss of \$780.5 thousand. LFC's recommendation for SPD's FY18 operating budget totals \$28.4 million, including \$5.1 million from park-generated revenues.

SIGNIFICANT ISSUES

According to SPD, SB70 grants the equivalent of an annual day-use pass and an annual camping pass to certain residents. The current values of these passes are \$40 and \$180, respectively. Regular state park day-use fees are \$5 per vehicle, and regular camping fees range from \$8 to \$18 per night.

SPD currently offers a discounted fee schedule for New Mexico resident Seniors. The annual Senior Camping Pass is currently priced at \$100 as compared to the regular New Mexico resident fee of \$180. In FY16, SPD sold 1,916 Senior Camping passes, which translates to \$191,600.

PERFORMANCE IMPLICATIONS

According to SPD, if revenue losses were not replaced by another funding source, it would reduce the agency's ability to adequately operate and maintain state parks at current levels:

Annual visitation by Seniors could increase if SB 70 is enacted. Increased visitation to state parks translates into need for additional staffing to ensure services and standards at state parks are maintained.

Additionally, it will be necessary to verify the status of resident Seniors who would be entering state parks for free. A verification process would require individuals to physically show proof of age. This would require SPD staff to verify age status for qualified persons, both for pass sales and for individuals visiting state parks for single day or overnight stays. Because of the verification requirement, Senior passes could not be made available online, telephonically, or through self-pay stations. All qualified individuals would need to acquire passes in person, thus increasing staff time required to verify Senior status.

OTHER SUBSTANTIVE ISSUES

SPD analysis notes the annual day use pass is physically transferable among vehicles, leaving a potential for abuse of the free passes required by SB70 that would be difficult for park field staff to control. Additionally, if group members were not in the presence of the qualified Senior person it would be problematic for staff to verify fee compliance.

JA/al