

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 02/09/2023

SPONSOR Jaramillo

BILL
NUMBER House Bill 265

SHORT TITLE State Park Fee Increase for Upkeep

ANALYST Sanchez

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
No fiscal impact	\$621.0	\$621.0	Recurring	State Park Adjacent Municipality Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Reprinting of Materials	No fiscal impact	\$500.0	No fiscal impact	No fiscal impact	Nonrecurring	State Parks Fund (20010)

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

Office of the Attorney General (NMAG)

Department of Finance and Administration (DFA)

Department of Transportation (NMDOT)

SUMMARY

Synopsis of House Bill 265

House Bill 265 proposes to amend Section 16-2-19 NMSA 1978 to add a fee of one dollar to the cost of a day-use permit for the admittance of a vehicle to a state park. The bill creates the “state-park-adjacent municipality fund” as a nonreverting fund at the State Treasury. The bill defines “adjacent municipality” as a municipality that is geographically adjacent to a state park and provides access to the state park.

The Department of Finance and Administration's (DFA) Local Government Division will administer the state park adjacent municipality fund to repair, replace, and construct critical infrastructure that provides access to state parks.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023 (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The State Parks Division (SPD) of the Energy, Minerals and Natural Resources Department (EMNRD) estimates, based on FY22 visitation data, that the fee would generate approximately \$621 thousand annually in the state parks fund, which it would then transfer to the state park adjacent municipality fund at DFA.

SPD is an enterprise agency, and approximately 75 percent of its revenues are generated through fees for park admissions, licenses and permits, concession fees, boating fees, and other state and federal funds. The general fund provides the remaining 25 percent of the division's revenues.

Senate Bill 265 would not increase the revenue received by the SPD operating budget. However, the proposed change in per-vehicle fees would necessitate revision and replacement of all printed materials, permits, passes, and signage and would also require updates to the division's website. EMNRD's analysis notes that the revenue increases would not offset these costs. EMNRD estimates the costs of these changes at \$500 thousand.

This bill creates a new fund and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because earmarking reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

The Energy, Minerals and Natural Resources Department (EMNRD) analysis flagged issues with the definition of "adjacent municipality" as potentially limiting the list of recipients from the newly created fund. EMNRD explained that many state parks are located near unincorporated areas, which, given the wording of the bill, might not be eligible to receive funds from the state-park adjacent municipality fund.

ADMINISTRATIVE IMPLICATIONS

Under Section 19.5.6 of the New Mexico Administrative Code, state park admissions fees are set by rule as part of their management and development plans. Any changes must take place after a rulemaking process, including the opportunity for public comment and filing of the rule change with the State Records Center and Archives any time a new fee schedule is set. Consequently, if House Bill 265 were adopted, SPD would be required to assign staff to oversee any additional revenue changes and resulting transfers.

ALTERNATIVES

In its analysis, the Department of Finance and Administration (DFA) proposed the following:

If the management of the State Park Adjacent Municipality Fund were not managed by the Department of Finance and Administration Local Government Division, An alternative to this fund being managed by LGD, this new fund could be directed to the Energy, Minerals, and Natural Resources Department for State Park and Recreation Capital Improvements. This department would be able to streamline the disbursement of funds to the various infrastructure projects that support the state parks.

An amendment to the Section 7-1-6.38 NMSA 1978 which is appropriated to the Energy, Minerals, and Natural Resources Department for State Park and Recreation Capital Improvements could be added to include the infrastructure around the state parks. This process would provide an easier implementation of this funding due to the existing structure.

Administrative support in the form of additional staff resources is essential to support the execution of the legislation as well as project management oversight of the projects once the funding is administered.

SS/rl/ne