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FISCAL IMPACT REPORT

SPONSOR <u>Neville/Campos</u>	LAST UPDATED <u>2/15/23</u>
	ORIGINAL DATE <u>2/8/23</u>
SHORT TITLE <u>Game & Fish Licensing Fees</u>	BILL NUMBER <u>Senate Bill 254/aSCONC</u>
	ANALYST <u>Gaussoin</u>

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
	\$1,000.0	\$10,000.0	Recurring	Game Protection Fund

Parentheses () indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 197 and Senate Bills 9 and 72
Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From

Department of Game and Fish (DGF)

Human Services Department (HSD)

No Response Received

Energy, Minerals and Natural Resources

SUMMARY

Synopsis of SCONC Amendment to Senate Bill 254

The Senate Conservation Committee amendment to Senate Bill 254 strikes language to narrow those who would be eligible for a 25 percent discount on hunting and fishing license fees to only those participating in the Supplemental Nutrition Assistance Program, eliminating the family members of those in program as included in the original bill.

Synopsis of Original Bill

Senate Bill 254 (SB254) would raise the fees for hunting and fishing for most types of resident and nonresident licenses and create a 25 percent discount on license fees for residents who participate in the Supplemental Nutrition Assistance (food stamp) Program.

The bill would raise the fees on 33 of 53 license types, including 17 of 28 residential licenses and 14 of 21 nonresidential licenses. Fees would also go up on certain temporary licenses that are not designated as residential or nonresidential.

The effective date of this bill is April 1, 2024.

FISCAL IMPLICATIONS

DGF estimates the fee increase, the first since 2006, would generate \$10 million a year for the game protection fund, the primary source of revenue for the department. The estimate assumes the discount for recipients of the Supplemental Nutrition Assistance Program would reduce potential revenues by \$1 million a year. Any revenue generated would be subject to appropriation by the Legislature.

Notably, the agency, which contends it needs the money to stay solvent, says the revenue from the proposed fee increase would not be fully realized until April or May of FY25 because of the pattern of license sales.

SIGNIFICANT ISSUES

According to DGF, the largest increase for resident licenses would be \$25 and the average increase would be \$7.78. For nonresident licenses, the average is \$80.45 and the maximum increase is \$255, the department says. (A list of the proposed fee changes is attached.) A review of adult resident freshwater fishing licenses in surrounding states shows the current New Mexico fee of \$25 is the lowest in the region, and the proposed increase would make it comparable to the other regional states. A resident deer hunting license, now \$31 and second lowest in the region, would be on the high end in the region if raised to \$50 as proposed. It is not known if surrounding states offer discounts for residents receiving public assistance.

Resident License Fees		
	Fishing	Deer
Arizona	\$37.00	\$58.00
Colorado	\$35.17	\$42.01
NM-Current	\$25.00	\$31.00
NM-Proposed	\$35.00	\$50.00
Texas	\$30.00	\$25.00
Utah	\$34.00	\$34.00

Fund Balance and Agency Budget

The department, which depends heavily on the game protection fund—the some \$33 million generated by hunting and fishing fees represents virtually all its state funds and about two-thirds of all its revenue, with federal matching funds making up the rest—says the fund is being depleted and revenue needs to increase to support agency activity. It contends it would not have to raise fees again for 10 years should SB254 become law.

The department, which receives no general fund revenue, has spent down the balance in the fund over the last two years, largely through capital outlay projects, and estimates the balance will be \$12 million in FY24, compared with \$22 million in FY21. The department has nine funds, but the uses of all but the game protection fund are restricted. The department calls its financial

positions “precarious.” From the department:

The Department has made a number of prudent financial management decisions to lengthen the life of this fund. These decisions have included a flat budget request, moving funds from the Contractual Services and Other categories to the Personnel Services category to support pay increases and retention efforts, and delaying the implementation of approved capital projects.

While the department points to its flat budget request for FY24 as illustrative of its efforts to control spending, it should be noted the agency’s FY23 budget is a 15 percent increase over FY22.

The department contends it needs \$10 million in the fund at the start of each fiscal year to manage cash flow. The current balance is \$18.4 million, but it includes \$13.2 million of approved capital projects, projects it says are necessary to maintain hatcheries and restore habitat. According to the department:

Proceeding with these capital projects would leave \$5.2 million in the game protection fund, which would be insufficient to support the Department operations. Our projections indicate that the Department must have a fee increase to ensure solvency and continue to deliver services and programs.

Other Sources of Financial Support. Conservation groups have argued the department’s dependence on hunting and fishing fees leads to DGF emphasizing hunting and fishing activities over other recreational uses and efforts to manage nongame species. It is possible that creating a new source of income for the department, rather than increasing hunting and fishing fees, would address this issue. Enactment of Senate Bill 9, which would create new funds for certain natural resources agencies and activities, might negate the need to increase hunting and fishing fees.

PERFORMANCE IMPLICATIONS

From DGF:

A fee increase would allow the Department to continue to carry out programs and services while ensuring significant habitat restoration projects and species management activities occur to address watershed health and species resilience in the face of a changing environment. The increase would also allow for hatchery renovations and address deferred maintenance.

ADMINISTRATIVE IMPLICATIONS

DGF says the bill would create no additional administrative responsibilities. The Human Services Department states it and DGF will need to sign a memorandum of understanding to allow HSD to share information on beneficiaries of the Supplemental Nutrition Assistance Program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB254 relates to House Bill 197, which would increase the number of free fishing days; Senate Bill 9, which would create funds to benefit DGF and other agencies; and Senate Bill 72, which would appropriate money to the Transportation Department for wildlife corridors to mitigate

vehicle/animal collisions. It is also related to DGF appropriations in the General Appropriation Act.

TECHNICAL ISSUES

The amendment addresses a concern raised by HSD in its analysis of the original bill, although not in the way suggested by the department. From HSD:

SB254 states “the resident and the family members of the resident who participate in the SNAP are eligible to receive a 25 percent discount” however it does not specify the definition of family member. HSD recommends that this definition be clarified to define a resident of a family member as a member of the same household.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DGF contends the agency will be insolvent in three years without the fee increases:

Projections indicate that the Department will run short of operating funds within the next three (3) fiscal years if operations are maintained at current levels and all appropriated capital projects are undertaken even on a delayed schedule. If the increase is not adopted, the Department will have to reduce expenses by reducing services and/or not undertaking approved capital projects.

Attachment

1. Proposed Changes to Hunting and Fishing Licenses

HG/ne/mg/hg

Attachment: Proposed Changes to Hunting and Fishing Licenses

1. Resident, fishing-~~[\$25.00]~~\$35.00
2. Resident, game hunting - ~~[15.00]~~25.00
3. Resident, deer - ~~[31.00]~~50.00
4. Resident, junior-senior, deer - ~~[19.00]~~25.00
5. Resident, senior, handicapped, game hunting and fishing -20.00
6. Resident, fishing and game hunting combination - ~~[30.00]~~42.00
7. Resident, junior, fishing and game hunting combination -15.00
8. Resident, disabled veteran, fishing and game hunting combination -10.00
9. Resident, antelope - ~~[50.00]~~60.00
10. Resident, elk cow - ~~[50.00]~~60.00
11. Resident, elk bull or either sex -~~[80.00]~~90.00
12. Resident, junior-senior, elk -~~[48.00]~~60.00
13. Resident, big horn sheep, ram-150.00
14. Resident, big horn sheep, ewe-75.00
15. Resident, Barbary sheep-~~[100.00]~~120.00
16. Resident, bear-~~[44.00]~~55.00
17. Resident, turkey-~~[25.00]~~35.00
18. Resident, cougar-~~40.00]~~55.00
19. Resident, oryx-~~[150.00]~~175.00
20. Resident, ibex-~~[100.00]~~110.00
21. Resident, javelina-55.00
22. Resident, fur dealer-15.00
23. Resident, trapper-~~[20.00]~~40.00
24. Resident, junior trapper-9.00
25. Nonresident, fishing-~~[56.00]~~90.00
26. Nonresident, junior fishing-~~[15.00]~~20.00
27. Nonresident, junior, game hunting-~~[15.00]~~20.00
28. Nonresident, game hunting-~~[65.00]~~85.00
29. Nonresident, deer-~~[260.00]~~375.00
30. Nonresident, quality deer-~~[345.00]~~600.00
31. Nonresident, bear-~~[250.00]~~350.00
32. Nonresident, cougar-~~[280.00]~~350.00
33. Nonresident, turkey-~~[100.00]~~125.00
34. Nonresident, antelope-~~[260.00]~~400.00
35. Nonresident, elk cow-~~[315.00]~~550.00
36. Nonresident, elk bull or either sex-~~[525.00]~~750.00
37. Nonresident, quality elk-~~[750.00]~~975.00
38. Nonresident, bighorn sheep-3,150.00
39. Nonresident, Barbary sheep-350.00
40. Nonresident, oryx-1,600.00
41. Nonresident, ibex-1,600.00
42. Nonresident, javelina-155.00
43. Nonresident, fur dealer-125.00
44. Nonresident, trapper-~~[345.00]~~500.00
45. Nonresident, nongame-65.00
46. Resident, senior, handicapped, fishing-8.00
47. Resident, junior fishing-5.00
48. Temporary fishing, one day-12.00
49. Temporary fishing, five days-~~[24.00]~~30.00
50. Resident, senior, handicapped, game hunting-15.00
51. Resident, junior, game hunting-10.00
52. Temporary game hunting, four days-~~[33.00]~~40.00
53. Second rod validation-~~[4.00]~~10.00.