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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/09

SPONSOR Varela LAST UPDATED _____ HJM 16

SHORT TITLE Establish Pecos Canyon State Park SB _____

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)*

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
NFI	\$5.0	\$35.0	Recurring	Parks Operating

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)*

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	NFI	\$300.0 (Recurring) + \$430.0 (Nonrecurring) = \$730.0	\$598.0 (Recurring) + \$430.0 (Nonrecurring) = \$1028.0	\$1,758.0	Recurring \$598.0 and Nonrecurring See Below	Parks Operating

(Parenthesis () Indicate Expenditure Decreases)

Relates to SJM 16

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
Department of Game and Fish (DGF)

* Projections provided by EMNRD

SUMMARY

Synopsis of Bill

This legislation resolves that the State Parks Division of the Energy, Minerals and Natural Resources Department be requested to establish Pecos Canyon State Park on lands owned by the State Game Commission and other lands that the State Parks Division determines to be appropriate.

FISCAL IMPLICATIONS

EMNRD indicates that when the agreement is concluded between State Park Division (SPD) and Department of Game and Fish (DGF), there will be substantial startup and annual costs involved in developing and operating the project to state park standards. SPD has estimated that, optimally, a Pecos Canyon State Park would require nine FTE and have recurring operational costs of \$598.0. SPD has also estimated one-time start-up costs for the park at \$860.0 (for park and office equipment, and a first phase of campground rehabilitation and erosion control), and five-year capital costs of \$3 to \$5 million (depending on whether an office and or visitor center is constructed). Some of these operating costs could be covered by contributions by DGF from that agency's existing budget (since DGF is spending some funds currently to maintain their properties in Pecos Canyon) and some from revenue derived from park day-use and camping fees. Since there is no data on current visitor use of DGF properties, it is difficult to estimate potential revenue, but based on similar sized state parks that have a heavily (summer) seasonal use pattern, SPD believes that revenue would be in the range of \$35.0 to \$75.0. Given the tasks involved in a new park start-up, there would be no fee revenue generated during FY09 and no appreciable revenue generated until May and June 2010. EMNRD anticipates that the estimated additional operating budget impact assumes that operating costs will be needed for half of FY10 and that the start-up costs will be split between FY10 and FY11.

DGF advises that any estimated savings to their department's operating budget are based on the assumption that the department would no longer be providing services (trash pickup and toilet pumping) to the affected properties. This also assumes that there would be no expenditures required to "prepare" the properties for inclusion into the proposed state park. It is possible that a state parks condition for establishing a park would be a contribution from the department to the establishment, operation, and maintenance of a park to support sportsman's access to fishing in a new park. In this case, it would be a question of the agreement between parks and game and fish.

SIGNIFICANT ISSUES

EMNRD notes that the legislation authorizes the establishment of Pecos Canyon State Park on lands currently owned by the NM State Game Commission (SGC) and managed by the DGF. Further, it authorizes the SPD to enter into a Joint Powers Agreement to provide for SPD management of these lands (or whatever portion of these lands is deemed necessary and appropriate for the state park), and authorizes the acquisition of additional lands necessary for the state park. There are already five other New Mexico state parks that are operated similarly (governed by a JPA between DGF and SPD): Clayton Lake, Fenton Lake, Eagle Nest Lake, Mesilla Valley Bosque, and Cimarron Canyon. EMNRD further states:

Pecos Canyon is one of New Mexico’s most significant and popular recreational areas; it contains an outstanding diversity of resources with statewide—and in some cases, national—significance, including areas of scientific, aesthetic, geologic, natural, cultural, and recreational value. Pecos Canyon provides recreational opportunities that serve the entire state as well as visitors to New Mexico. The lands owned by DGF, however, are suffering from a lack of management and proper facilities to accommodate public use.

EMNRD concludes that the establishment of a state park will result in better natural and cultural resource management, improved service to the public, and more effective working relationships among SPD, DGF, U.S. Forest Service, San Miguel County, Village of Pecos, numerous private residents of Pecos Canyon, and other entities. SPD will require adequate staff and budget to operate the state park according to SPD standards.

PERFORMANCE IMPLICATIONS

EMNRD suggests that enactment of the legislation will not affect performance measures for the SPD directly. If a new state park is established eventually, however, it would positively impact several performance measures, including total visitation and the number of educational programs delivered.

DGF advises that the establishment of a state park on state game commission owned properties in the Pecos Canyon could influence Conservation Services Program Objective 2 (Achieve a commission-approved framework that defines the purposes and policies governing acquisition, management, and use for State Game Commission properties and develop 10 wildlife area specific management plans by 2012) Strategy 2.3 (Maintain all Game Commission properties in safe and serviceable condition). The removal of management, operation, and maintenance of a significant portion of the SGC properties in the Pecos Canyon could free up time and resources that could be applied to other Commission properties managed by the department.

ADMINISTRATIVE IMPLICATIONS

DGF suggests two possible administrative considerations: (1) potential remediation efforts associated with mining residuals; and (2) because federal funds are used in the operation and maintenance of the Pecos canyon, the U. S. Fish and Wildlife Service may request to review any a joint powers agreements between DGF and SPD.

EMNRD states that SPD will need to expend time and effort to negotiate a Joint Powers Agreement with DGF and do the myriad tasks associated with starting up a new state park.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate to SJM 16.

TECHNICAL ISSUES

DGF suggests that, “The eighth WHEREAS states ‘it is in the best interests of the residents of New Mexico to designate a state park in Pecos canyon;’ The establishment of a state park could have implications for extended family camping opportunities. Tighter control of this type of

camping could make it more difficult for some large groups to camp together. In addition, an increased focus on recreational camping if done at the expense of fishing opportunities could be very detrimental to recreational fishermen in an area with already limited fishing opportunities.”

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EMNRD states, “No legal authorization for a new state park in Pecos Canyon will exist; state lands in Pecos Canyon owned by the NM Game Commission will continue to be managed by DGF.”

AMENDMENTS

None suggested by respondents.

BW/svb