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FISCAL IMPACT REPORT

ORIGINAL DATE 3/5/15

SPONSOR HAWC LAST UPDATED _____ HB 616/HAWCS

SHORT TITLE Public Peace, Health, Safety, and Welfare-
Elk Population Management SB _____

ANALYST Elkins

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	Indeterminate	Indeterminate		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 Agriculture, Water, and Wildlife Committee Substitute for House Bill 616 directs the Department of Game and Fish to implement the Game Commission elk population reduction rule to reduce elk herds by 20 percent in elk hunting units where the range resource and cropland has been degraded by overpopulation of elk. It also directs the DGF to achieve this reduction by issuance of 100 percent more landowner hunting tags to ranchers and farmers who receive tags in FY16. It then directs the commission to adopt a rule to provide that landowners receive a sufficient number of tags to offset both small and large landowners' economic losses from elk degradation of range or cropland. Lastly it requires the director of DGF to report the results of this program of elk population management to the legislative finance committee and interim committees assigned to hear testimony on wildlife management issues by December 1, 2016.

FISCAL IMPLICATIONS

The 100 percent increase of landowner authorizations would result in increased revenues from the sale of licenses pursuant to the conversion of these authorizations, but would vary depending on which units were increased, the type of authorization converted, and the residency of the individual purchasing it. Authorizations are typically issued with bag limits by mature bull, antlerless, and either sex, all of which have varying license fees. Per current commission rule, if the number of landowner authorizations is increased the number of public draw elk hunting

licenses would also have to be increased resulting in even higher license sales revenue.

According to DGF, this large scale increase in licenses would initially increase revenues and result in decreased elk populations, however the higher levels would not be sustainable and elk populations would decline leading to significantly reduced numbers of licenses being issued, quickly increasing levels of public dissatisfaction, and a measurable decrease in the economic value of elk and elk hunting in the state which is currently estimated to be over \$100 million annually. In addition, as the quality and quantity of the elk herd declines, the value of the “landowner authorizations” will as well, causing a downward economic trend.

SIGNIFICANT ISSUES

DGF currently manages elk in approximately 16 different herd units across 32 Game Management Units (GMUs). DGF strives to manage these elk populations at levels well below carrying capacity. If circumstances arise where elk numbers start to approach unsustainable levels increased harvest is implemented through a variety of tools such as increased public draw and landowner licenses, population management hunts, and strategic depredation removals.

DGF is unsure which elk hunting units the 20 percent herd reduction would be applied to or if a 100 percent increase in landowner tags will result in a 20 percent reduction because each elk hunting unit has a different proportion of public to private land. For example, GMU 34 in south central New Mexico consists of 13 percent private land and 87 percent public land. DGF currently issues approximately 311 landowner authorizations. If this number of authorizations was increased to 622 the estimated increase in harvest would only be approximately 180 elk if all of the authorizations were used. This estimate is based on an average success rate of 58 percent across all bag limits and weapon types for private land licenses. This would result in a population reduction of less than 3 percent as the current population estimate in this unit is 6,000-6,300 elk.

According to DGF, the current system to distribute elk authorizations referred to as tags in this bill was developed as an equitable and flexible system that recognizes the contributions of private lands and landowners to the management of elk and their habitats, while providing for economic benefit and appropriate biologically sound, and effective harvest through sport hunting. By directing DGF to achieve a reduction in elk by the issuance of 100 percent more hunting tags, is contrary to the direction that DGF received from the Attorney General on April 18, 1988. In an official correspondence to the Chairman of the State Game Commission, the Attorney General Office advised that hunting opportunities distributed to landowners should be in a manner which is in compliance with the statute through a scientific formula of allocating such applications (now named authorizations). Directing DGF to issue 100 percent more authorizations to ranchers and farmers is contrary to the Attorney General’s direction in 1988 and is not based on any scientific formula. This increase could have members of the public question the allocation scheme that is now being used to distribute authorizations.

DGF recognizes and is respectful of the concerns of some landowners regarding elk impacts to forage and crops and has established both the Elk Private Land Use System and the Depredation Assistance Program to provide landowners with elk management options on their properties.

According to DGF, landowner authorizations are not intended to, nor can they, provide compensation for economic losses to ranches associated with reduced grazing/stocking rates/transportation costs/fence repairs/pasture rents/reduced weaning weights. Their value is

directly related to the quantity and quality of the elk population in the unit for which they are issued which varies across the state.

TECHNICAL ISSUES

The Department of Game and Fish has the following concerns:

The bill does not establish who is authorized or responsible to make the determination of which specific elk hunting units have degraded range resources and croplands;

The bill does not define what data, science, and analysis should be used to justify that elk are the cause of the degradation and not some other factors such as pinon-juniper or ponderosa pine encroachment or prolonged drought.

The bill does not indicate whether the range resources to be designated are private lands or public and private lands combined. Because crops are not grown on public lands and lessees do not own forage on public lands it is assumed that degradation of range and cropland is referring to private lands only.

With regard to the provision in the bill that requires the commission to adopt a rule to provide that landowners receive a sufficient number of tags to offset both small and large landowner's economic losses from elk degradation of range or cropland, it is unclear who will be responsible for determining what a "sufficient number" of tags is, what value should be placed on a "tag", and who determines this value and how. The bill also fails to establish how a "landowner's economic loss" is to be determined and by whom.

Because the bill does not have a sunset clause, it is unclear if the 20 percent herd reduction via a 100 percent increase in landowner tags is to be effective for one year or continue indefinitely. It is also unclear what the duration of the new commission rule providing landowners a sufficient number of tags is to be.

There is no State Game Commission rule titled "elk population reduction rule" but rather several sections of the current Elk Rule 19.31.14 NMAC, that already provide mechanisms to address increased elk harvest objectives when appropriate.