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FISCAL IMPACT REPORT

SPONSOR Altamirano DATE TYPED 2/03/05 HB _____

SHORT TITLE Increase Game and Fish License Fees SB 77

ANALYST Aguilar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	Indeterminate		Indeterminate	Recurring	Game Protection Fund

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB-47, SB-16, SB-336

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	\$1,500.0	\$4,500.0	Recurring	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

Senate Bill 77 raises license fees for resident, nonresident and temporary hunting and fishing licenses, removes obsolete license descriptions, provides for a junior-senior general hunting license, a junior-senior elk license and clarifies a license type.

Significant Issues

The Department of Game and Fish generates the majority of its revenue through the sale of hunting and fishing licenses, with fees fixed by statute. Inflation and appropriations for nonrecurring projects have caused overall expenditures to surpass revenues, reducing cash balances in the Game Protection Fund. This has produced a situation where increasing revenue has become a priority. Increasing license fees is one way the department has identified to generate additional revenue. In recent years, the game protection fund has provided opportunities for the department to complete several projects, such as the construction of its headquarters building, construction of fish hatcheries and the purchase of Eagle Nest Lake. Current estimates show that the fund is declining to a critical level. Revenues to the department are off from October through March requiring a minimum cash balance of \$6 million. Department estimates indicate the fund may fall below this threshold by the end of FY07.

PERFORMANCE IMPLICATIONS

Since license fees are directly tied to the amount of revenue that the Department derives to fulfill its mandates, this bill has significant performance implications. In order to continue providing services at the current level, the agency must have sufficient income to keep up with inflationary effects on operating costs such as; gasoline, employee salaries and benefits, changes in per diem rates, utilities, etc. If the Department does not obtain a change in fees or some other form of revenue enhancement, it will not have the resources to operate at the level used to establish target levels for performance measures.

One of the agency's performance measures is based on the percentage of special drawing licenses issued to New Mexico resident applicants. Increasing fees for nonresident applicants will potentially decrease the overall number of nonresident applicants, possibly increasing the number of licenses drawn by residents.

FISCAL IMPLICATIONS

At current sales levels, the changes proposed in this bill will generate an additional \$4.5 million in annual license sales revenue for the Department of Game and Fish. This will allow the agency to continue operating at current levels. Without the proposed increase, current cash balances will only sustain the agency's operations through fiscal year 2007.

ADMINISTRATIVE IMPLICATIONS

If passed, the Department would implement this amendment on April 1, 2006. This will allow for printed materials and computer systems to be updated to reflect the amended fees.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 77 conflicts with HB-47, SB-16, SB-336. All of these bills relate to the list of license fees.

PA/sb