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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/08

SPONSOR Garcia, MP LAST UPDATED \_\_\_\_\_ HB 34

SHORT TITLE Subsidize Certain Hunting & Fishing Licenses SB \_\_\_\_\_

ANALYST Wilson

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$0.1	Recurring	Game Protection Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	(\$0.1)	(\$0.1)	Recurring	Game Protection Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>DGA</b>		\$0.1		Unknown	Recurring	Game & Fish Funds
<b>HSD</b>		<\$2.0	\$0.1	Unknown	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Game and Fish (DGF)

Human Service Department (HSD)

## **SUMMARY**

### Synopsis of Bill

House Bill 34 enacts a new section in the Public Assistance Act requiring HSD to develop a process that certifies recipients of public assistance to determine eligibility for the purposes of issuance of hunting and fishing licenses. The bill goes on to provide for issuance of an annual general hunting and fishing license free of charge to any recipient of public assistance who applies for such privilege.

## **FISCAL IMPLICATIONS**

The DGA states that this bill will have negative fiscal impacts on both the revenue and expenditure sides for them. The amount of the revenue impact is indeterminate, but expected to be significant. Any license provided free of charge to a current paying customer will reduce both license revenue and federal revenue. General fund appropriations account for less than 1% of overall agency revenue, with license sales and federal assistance providing over 95%. Federal assistance grants are based on a formula that takes into account the number of paid hunting and fishing license holders. Licenses provided at no cost do not count toward the number of certified participants, thus increasing the number of free licenses decreases federal funding available for fish and wildlife programs.

This bill would also require both the DGA and the HSD to establish processes and devote resources to the certification of participants and the issuance of the hunting and fishing licenses. As the bill does not provide the human or fiscal resources to accomplish this work, it would have to be diverted from other responsibilities.

HSD notes this bill mandates a new form. HSD will need to create, produce and distribute the form to approximately 34 statewide Income Support Division (ISD) offices of the HSD. There will be a minimal impact of approximately \$2,000 per year for printing and postage costs.

## **SIGNIFICANT ISSUES**

According to DGA, this bill has the potential to increase the burden on those currently paying the majority of the cost of managing fish and wildlife. Increasing expenses and decreasing revenue will accelerate the need to modify the level of revenue from license fees or other sources or to change to level or services provided to hunters, anglers and others who participate in wildlife associated recreation.

This bill will increase pressure on game and fish resources while at the same time reducing financial resources available to finance provision of agency services.

HSD has provided the following:

Citizens receiving public assistance include low and middle-income New Mexicans up to 235% of Federal Poverty Level (FPL), although the Working Disabled Individuals Medicaid is at 250% of poverty. These include those who receive Food Stamps, Temporary Assistance for Needy Families, General Assistance, Education Works, and Medicaid.

The following chart shows the household income limits for 235% FPL:

<u>Household Size</u>	<u>235% FPL</u>
1	\$24,000
2	\$32,184
3	\$40,356
4	\$48,540

Each month, over 600,000 individuals receive benefits from HSD. If a high percentage of these citizens availed themselves of the no-cost hunting and fishing license, there would be a significant customer service impact on HSD. ISD staff will have to devote resources to the certification of participants wanting hunting and fishing licenses, which may interfere with the customer service needs of New Mexicans seeking public assistance benefits from HSD.

According to the U.S. Fish and Wildlife Services from the Automated Wild Life Data Systems, New Mexico issued 109,948 hunting licenses and 198,708 fishing licenses in 2003 for a total of 308,656 licenses. HSD estimates that this could result in a flow of individuals coming to the local ISD office by approximately 109,000 individuals annually for certification of public assistance benefits for hunting and fishing licenses.

HSD's Child Support Enforcement Division (CSED) determines if an individual is in compliance with a child support order or judgment. The CSED then submits this information to agencies such as the DGA. Pursuant to NMSA 1978, Section 40-5A-4, an individual who submits an application for a license and is not in compliance with a judgment and order for support is not eligible for a license.

The declaration of public assistance can only be issued to the public assistant recipient him or herself in order not to violate mandatory federal and State confidentiality laws.

The bill provides for licenses to be obtained by telephone and the internet, if the applicant is subject to prosecution for any false or fraudulent statement or other misrepresentation as if the individual has signed an application. If there is no signed application or electronic signature, it will be difficult, if not impossible to prosecute for fraud because there will be no documentary evidence of the fraud.

## **ADMINISTRATIVE IMPLICATIONS**

Enacting this bill would result in new administrative tasks for both the HSD and the DGA.

Additional drop-in customer service contacts will increase. Recipients of public assistance will be required to make in-person visits to an ISD office. This may negatively impact HSD's ability to meet its performance measures.

HSD estimates that this could result in a flow of individuals coming to the local ISD office by approximately 109,000 individuals annually for certification of public assistance benefits for hunting and fishing licenses. HSD staff would have to devote resources to the certification of

participants wanting hunting and fishing licenses, which may interfere with the customer service for New Mexicans seeking public assistance benefits from HSD.

## **TECHNICAL ISSUES**

HSD believes the following language should be added to paragraph N on page 7 and paragraph F on page 10 to ensure compliance with this law:

N. A general hunting and fishing license may be obtained at no cost by a resident who is a recipient of public assistance, is in compliance with the Parental Responsibility Act, NMSA 1978, Section 40-5A-1 et seq and who furnished a declaration of public assistance provided by the HSD.

F. A public assistance recipient may be issued a general hunting and fishing license at no cost so long as the public assistance recipient applies for the general hunting and fishing license, fulfills the requirements for issuance of the license, is in compliance with the Parental Responsibility Act, NMSA 1978, Section 40-5A-1 et seq and furnishes a declaration of public assistance provided by the Human Services Department.

HSD also notes that in HB 34, there is the language in the declaration that says, “ \_\_\_\_ (name) is currently receiving public assistance from the state of New Mexico **and** the federal government.” However, some public assistance programs, such as the General Assistance Program, are 100% State funded.

DW/mt