

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Carraro DATE TYPED: 03/4/03 HB _____

SHORT TITLE: Prohibit Admission Fees to State Parks SB 610

ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		(\$3,500.0)	Recurring	State Park Fees
			\$3,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with Senate Bill 168, which require the Legislature to set fees for state parks use.

Conflicts with Appropriation in the General Appropriation Act for FY04 to the State Parks Division.

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(\$3,500.0)	(\$3,500.0)	Recurring	State Park Fees
	(\$162.0)	(\$162.0)	Recurring	Governmental Gross Receipts Tax

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From
Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

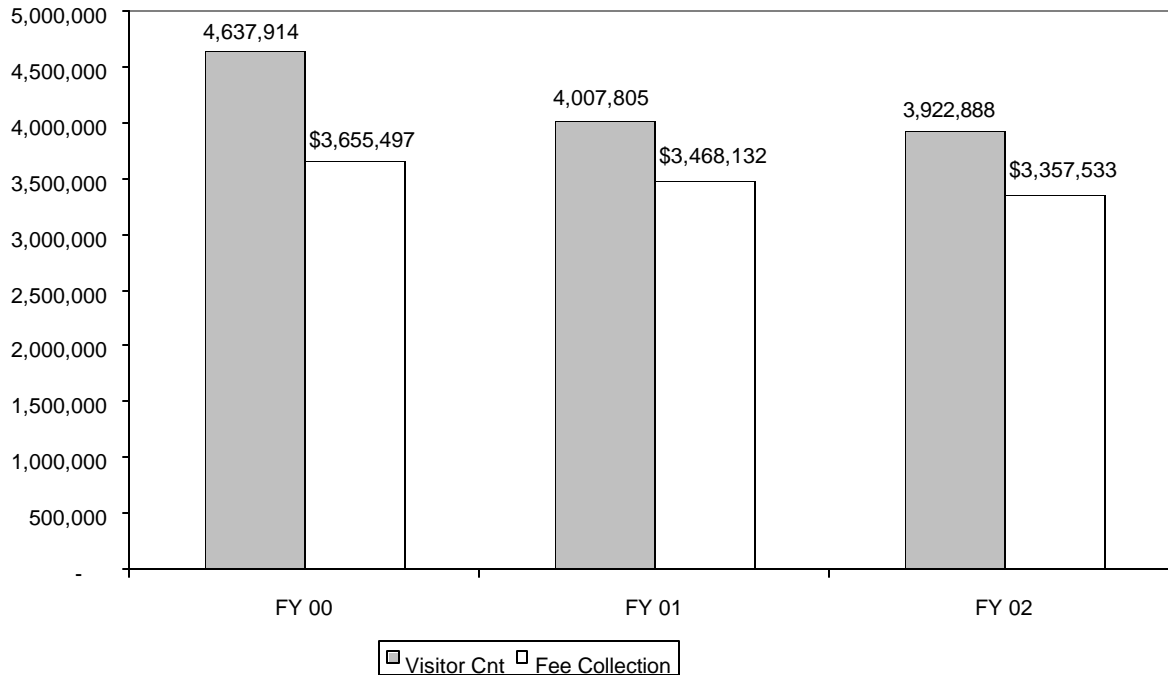
Synopsis of Bill

Senate Bill 610 proposes to eliminate admission fees to state parks. SB 610 also repeals NMSA

1978, 16-2-7.1, which provides for a one day-use pass for entry into the state parks to a one-hundred percent disabled veteran residing in the state. The effective date of the bill would be July 1, 2003

Significant Issues

The graphic below details the visitation and revenue collected for state parks over the past three fiscal years. Visitation has decreased by 15.4 percent while revenue has dropped by 8.2 percent. The revenue impact has not been as significant because of the fee increase implemented in 1999.



EMNRD reports that these revenues represent just over 15 percent of its self-generated revenues and just under 20 percent of its annual operating budget. These revenues represent the amount of funding that will be lost in accordance with Senate Bill 610.

FISCAL IMPLICATIONS

Senate Bill 610 does not contain an appropriation.

The fiscal impact of the bill will be a loss of \$3.5 million, on average, in annual revenue. To maintain the current operating level, a \$3,500.0 increase in general fund would be required. As an alternative, the State Parks Division will be required to reduce expenditures by an equivalent amount. EMNRD reports that its field staff spend 20 percent of their time collecting admissions fees. An equivalent reduction in salaries and benefits equates to roughly \$2 million.

According to SPD, eliminating park fees would also impact the Governmental Gross Receipts Tax Fund, where in FY02 an estimated \$162.0 was paid from the fees collected.

CONFLICT, RELATIONSHIP

House Bill 2, the General Appropriations Act, uses this fee revenue to support operations in FY04.

SB 610 conflicts with Senate Bill 168. Senate Bill 168 would remove the authority/responsibility of establishing state parks fees from the Energy, Minerals and Natural Resources Department and place the authority of establishing state parks fees with the Legislature.

TECHNICAL ISSUES

Section 16-2-7 requires the EMNRD Secretary to “. . . promulgate and adopt rules for each park . . . [to] be made as nearly self-supporting as possible”, which conflicts with a .

POSSIBLE QUESTIONS

What proposal might the State Parks Division recommend to make each park as nearly self-supporting as possible?

Is the sponsor recommending a reduction in the operating budget as a result of the revenue loss, or recommending increased general fund support to make up the admissions fee revenue loss?

MFV/lb:njw