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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 01/29/10

**SPONSOR** Martinez, Rodolpho      **LAST UPDATED** \_\_\_\_\_      **HB** 37

**SHORT TITLE** Military Discount For Hunting Licenses      **SB** \_\_\_\_\_

**ANALYST** Woods

### REVENUE (dollars in thousands)\*

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY10	FY11	FY12		
		(\$4.8)	Recurring	Game Protection

(Parenthesis ( ) Indicate Revenue Decreases)

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

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$2.0		\$2.0	Recurring	Game Protection

(Parenthesis ( ) Indicate Expenditure Decreases)

\* Fiscal impact data provided by the Department of Game and Fish.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Game and Fish (DGF)

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

House Bill 37 seeks to create a new license type with a reduced-fee. The new class of combination general hunting and fishing license. This new license type would be available to any member of the Armed Forces of the United States who is a resident of the State of New Mexico.

## **FISCAL IMPLICATIONS**

DGF notes that, according to information from the Department of Veterans' Services, there are approximately 7,000 members of the Armed Forces who are residents of the State of New Mexico; representing less than one percent of the State's population. Currently, the Department sells approximately 8,300 general hunting and general hunting and fishing full-fee combination licenses every year. If the Department to offer a reduced-fee combination license to those members of the armed forces as defined by the bill, the fiscal impact to the Department is estimated to be as follows:

The Department projects that military members represent approximately 1-2% of the total population of general hunting and fishing license buyers each license year. Currently, that Department realizes approximately \$481,000 in annual revenue from the sale of 8,300 general hunting and fishing licenses.

If the Department assumes 1-2% of those sales can be attributed to resident members of the armed forces it would result in the sale of 83-166 licenses and \$4,814-\$9,628 in revenue. If the eligible license holders were to take advantage of the reduced-fee license type, the Department would sell the same number of licenses, but would recognize less revenue stream. The reduction would be between \$2,400 and \$4,800. The Department would also incur administrative costs to implement the new license type.

## **SIGNIFICANT ISSUES**

DGF advises that, in order to properly distribute the new license type, and to restrict that issuance to only eligible license holders, the Department would need to modify administrative process that would allow eligible buyers to receive their licenses in an uncomplicated manner. The Department would only be able to offer the new license types through Department offices because persons eligible for these licenses would need to produce the appropriate documentation verifying their eligibility, and the Department would need to maintain those documents for audit purposes. Staff at non-department license vendors would not have the means to verify this eligibility nor would they have the ability to properly manage the documentation verifying eligibility.

## **PERFORMANCE IMPLICATIONS**

None noted by respondents.

## **ADMINISTRATIVE IMPLICATIONS**

DGF states, "The new license type will have to be developed and incorporated into the Department current over-the-counter system and the Department will provide additional training to Department Staff regarding the issuance of this new license type, and development of processes on the part of the agency and the military to verify eligibility for the new license type. In past instances of creating new license types, the legislation has carried an effective date of April 1 of the subsequent year in order to incorporate the new license type into publications and license documents."

**OTHER SUBSTANTIVE ISSUES**

DGF adds that the Department has some concerns about who in particular this bill would apply to. In developing this analysis the Department made some assumptions as to who would be truly eligible for purchasing the license. The Department would request that the eligible recipients of this license be clearly articulated in the final bill. However, if the assumptions we have made regarding eligible participants and the participation rates are incorrect, the impact to revenue will be affected.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

DGF states, “Eligible resident Armed Forces members purchasing general hunting and fishing licenses will not receive a \$28 per year discount.”

**AMENDMENTS**

DGF suggests that the legislation be amended to have an effective date of April 1, 2011.

BW/svb:mew