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FISCAL IMPACT REPORT

ORIGINAL DATE 02/22/11
 SPONSOR HTRC LAST UPDATED 03/10/11 HB CS/149/HTRCS
 SHORT TITLE Hunting & Fishing License Fee Changes SB _____
 ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue Change			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	(\$900.0)	Fund Eliminated	Nonrecurring	Sikes Act Fund
	\$1,800.0	\$1,800.0	Recurring	Game Protection Fund
	\$1,000.0	\$1,000.0	Recurring	Habitat Management Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	N/A	N/A	N/A			

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with SB 196, SB 490, SB 513, HB 180 and HB 362, all of which amend sections impacted by this bill.

Relates to HB188

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Game and Fish (DGF)

SUMMARY

Synopsis of Bill

The House Taxation and Revenue Committee substitute for the House Energy and Natural Resources Committee substitute for House Bill 149 restructures the DGF's entire hunting and fishing licensing program. The bill changes the structure of the licensing program in the following ways:

1. This version of the bill adds that anyone wishing to purchase a big-game (defined as the following species: deer, bear, cougar, elk, pronghorn antelope, Barbary sheep, bighorn sheep, javelina, oryx, and Persian ibex) or wild turkey license must first purchase a "game hunting" license. The purchase of this "game license" is required to be purchased only once per license year by an applicant but is necessary to be eligible for the big-game lotteries, landowner licenses or other big game hunting opportunities.
2. The bill changes the way the Department conducts public big-game license lotteries. The bill proposes to require the Department to "allot all first choices before allotting any subsequent choices; thereafter, all second choices before allotting subsequent choices; and thereafter, all subsequent choices". It changes the draw process from issuing licenses based upon the sequence an application is randomly drawn and looking at all successive choices before moving to the next application in the sequence (choices 1, 2 and 3 only), to a process that looks at hunt code choices independently. The process currently employed is explained in further detail on the Departments website:
<http://wildlife.state.nm.us/recreation/hunting/documents/draw.html>
3. It adds three new license types (deer, game hunting, and elk) for nonresident junior hunters at a higher rate from established nonresident license fees. This is for consistency with the newly added language requiring the purchase of a base, game hunting license for any big-game hunting license.
4. It eliminates the fee associated with the established "second rod stamp" for anglers, but continues to allow for the permitted use of a second rod.
5. The habitat management fee program is restructured such that the revenue collected for the program can be used on national forests and Bureau of Land Management properties in addition to properties managed by the Department (currently provided for in §17-4-34). It allows that \$1 of each habitat management fee collected will support the current "Open Gate" Program. The change in the HTRC substitute would also be a onetime per year purchase. For customers that both hunt and fish, they would have the ability to purchase a combination license to avoid paying the \$8 with each privilege
6. It prohibits the collection of any other habitat management funds by the Department but it also provides a provision for the State Game Commission to increase the amount of the Habitat Management Fee.

7. With the proposed change to the habitat management fee program, how the fee is to be collected is also changed from current statute. The bill proposes to charge \$8.00 (combination of the current \$5.00 Sikes act fee and \$3.00 habitat management fee) to each license designated in 17-3-13 and wildlife-associated permits issue by the State Game Commission. The current statute provides that the fee be collected only once per year.
8. The substitute bill changes the Big Game Depredation Damage fee for New Mexico residents from an amount of up to \$5, set by rule of the State Game Commission to an amount of up to \$3. Current rule sets the amount at \$3, so there will be no fiscal impact associated with this change.
9. This bill eliminates \$1 stamp for Open Gate that is currently collected as a part of the Habitat Management and Access Validation and now allows \$1 to come out of the \$8 Habitat Management fee as highlighted in #5 above.

FISCAL IMPLICATIONS

The DGF provides the following fiscal analysis.

The bill proposes that anyone wishing to purchase a big-game (defined as the following species: deer, bear, cougar, elk, pronghorn antelope, Barbary sheep, bighorn sheep, javelina, oryx, and Persian ibex) or wild turkey license must first purchase a “game hunting” license. The purchase of this “game hunting” license is required to be purchased only once per license year by an applicant but is necessary to be eligible for the big-game lotteries and other big game hunting opportunities. This requirement to purchase a game hunting license will increase the revenue to the Game Protection Fund by an estimated \$1,800,000 annually.

As the bill is proposed, the Sikes Act Fund (09700) is eliminated and the revenues currently collected for that fund are shifted to the Habitat Management Fund (49400) although it does not prevent the Agency and the Commission from approving funds to be used through this program.

The Habitat Management Fund has an increase in revenue because of the incorporation of the Sikes Act fund revenue stream, and due to draw hunt applicants paying the habitat fee along with the base license (game hunting). The collection of any fees associated with habitat management activities has shifted to the Habitat Management Fund and the habitat fee is added to all of the fishing and game hunting (small game) license types in §17-3-13. It also charges the portion of the fee currently going to the Sikes Act program to all license buyers, where currently only those hunting, fishing or trapping on Forest Service or BLM land pay that fee. The total revenue increase for the Habitat Management Fund is estimated to be approximately \$1,000,000 due to charging the fee on each fishing and game hunting license sale and bringing the funding from the other program into the newly combined fund.

SIGNIFICANT ISSUES

While this bill increases the revenue for the Habitat Management Fund, it is charging the fee for each fishing and game hunting license sold which is a change from the current statute. The requirement for all big game hunt applicants and license buyers to purchase the game hunting license represents a fee increase for those sportspersons who currently apply for big game hunts, but do not currently purchase a small game license.

ADMINISTRATIVE IMPLICATIONS

The Department has identified the following administrative implications:

1. This bill would require significant modifications to the Department's current licensing programs. The Department would need to begin working on the implementation as early as possible in order to implement the changes for the 2012-2013 license year.
2. If this bill is passed it would require the State Game Commission to modify rules to comply with Statute.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB149 is in conflict with Senate Bill 196, Senate Bill 490, Senate Bill 513, House Bill 180 and House Bill 362, all of which amend sections also impacted by this bill.

HB188 is related by proposing to raise the vendor fees for hunting and fishing licenses.

TECHNICAL ISSUES

As amended, the bill limits the existing authority for the State Game Commission to amend the fees charged for the depredation damage fund. Current authority allows the SGC to charge an amount of up to \$5.00 per resident big game hunting licenses. The proposed bill caps the up to amount at \$3.00. Any future desire to change the current amount charged would require a statutory change, so this bill would eliminate current flexibility.

On page 7 line 17, paragraph L. states that a second rod validation may be purchased. This conflicts with the elimination of the second rod fee on page 12 line 10.

Section 3 ([NEW MATERIAL] LICENSE FEES AND HABITAT MANGEMENT.--) states that both the habitat management fee and the big game depredation fee are "included" in the Section 17-4-34 license fee. Thus the actual license fee charged and collected will be reduced by the amount of the two included fees. The final sentence in the section conflicts with this anomaly by providing that the department of game and fish is authorized to collect these included fees which authorization is not required given the fact that the department of game and fish is already authorized to collect the license fee that includes the fees covered by this superfluous authorization. If the intent of the last sentence in the paragraph is to clarify that the habitat management fee and big game depredation fee are collectable in addition to the license fee, the beginning portion of the paragraph must be modified to delete the language that these supplemental fees are "included" in the license fee.

OTHER SUBSTANTIVE ISSUES

The DGF shared the following concerns about the bill.

This bill will potentially face opposition from stakeholders and federal land agencies who support the Department's "Sikes Act" program in its current form. This bill does not do away with the Sikes Act program or the Citizens advisory committees, but it does not give a set amount of funding automatically to the BLM and USFS based on an existing formula. The

Agency, with approval of the State Game Commission, would provide a portion of the revenues collected to the Sikes Act program partners for habitat projects on federal land.

The fee increases resulting from adding the Habitat Management fee to a majority of license types may cause some concern and negative feedback from license buyers.

The change to how the Department conducts the draw may create some concern due to the fact that for most hunt codes, the demand for the licenses outweighs the supply, so it may be perceived that hunters are only really given an opportunity for drawing for their first hunt code and the subsequent hunt codes which they apply for are less likely to draw.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The basis upon which the Department conducts big-game hunting license lotteries will continue to be determined by the State Game Commission, rather than specified in statute, and other activities will continue as they do currently, including the purchase of separate stamps and permits.

JCH/svb:mew