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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/11

SPONSOR Baldonado LAST UPDATED _____ HB 270

SHORT TITLE Vendor Fee License Collectors SB _____

ANALYST Hanika-Ortiz

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$20.0 - \$30.0	\$20.0 - \$30.0	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

House Bill 270 changes the maximum fee that a license vendor can collect and retain for selling hunting, trapping or fishing licenses from \$1.00 to \$2.00 per license document sold.

FISCAL IMPLICATIONS

DGF reports it will see an increase in revenue as the Department is also a vendor. However, the major positive fiscal impact will be felt by third-party license vendors. From a statewide perspective, these vendors could collect an additional \$200,000 - \$250,000 per year collectively.

The Department has received feedback from vendors requesting that the fee be increased. Most customers currently purchase their department licenses using credit cards. This results in the vendor paying a percentage handling fee to the credit card companies for accepting the card. Most vendors have stated that the one dollar vendor fee no longer covers the credit card handling fees incurred by the vendor.

DGF further reports that the collection of the additional dollar will help to offset the cost of the bonds the Department requires vendors purchase in order to be license vendors. This bond is collected to insure against a business which does not pay the Department the appropriate license fees collected by the vendor.

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The bill will negatively impact license buyers, charging them another dollar for the purchase of hunting, fishing or trapping license.

SIGNIFICANT ISSUES

DGF has over 200 license vendors in New Mexico and in El Paso, Texas. This bill will allow these vendors to collect and retain an additional dollar for each license document sold.

PERFORMANCE IMPLICATIONS

The Department prints the vendor fee on each license document sent to the vendors to sell. Because all of the license documents have been printed for the upcoming license year (April 1, 2011 – March 31, 2012), the Department requests that this bill not become effective until April 1, 2012.

ADMINISTRATIVE IMPLICATIONS

DGF staff will need to change future license forms to reflect the change in the fee.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The vendor fee will remain at one dollar.

AHO/bym