



SOUTHWICK
ASSOCIATES

PO Box 6435 ■ Fernandina Beach, FL 32035 ■ Office (904) 277-9765



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New Mexico Department of Game and Fish Future Funding Study

New Mexico Department of Game and Fish

Santa Fe, New Mexico

Executive Summary

The primary purpose of this study is help identify a source of stable matching funds should '[Recovering America's Wildlife Act](#)' (RAWA) become federal law. If passed, the NMDGF could potentially receive \$27 million dollars in new, annual funds dedicated to the restoration of habitat and management of Species of Greatest Conservation Need, as identified by New Mexico's [State Wildlife Action Plan](#). These species typically receive limited dollars from traditional fish and wildlife funding mechanisms. To receive these funds, \$9 million in annual matching dollars would be required from the state. The New Mexico Department of Game and Fish (NMDGF) commissioned this study to develop a list of potential matching fund sources and to understand the public's perspectives about each possible source.

The potential funding sources were identified via discussions with NMDGF staff plus similar past research in New Mexico and elsewhere. Overall, we assessed potential revenue and public support for 10 potential future funding mechanisms.

Study Results

Below is a summary of each funding option and the potential revenue each could generate. The results are ranked based on the general public's preference for each option, as shown in the first column. Results in the main report present detailed descriptions for each funding option plus feedback and rankings from the surveys of the general public and New Mexico fish and wildlife stakeholders conducted as part of this project.

General Public		Stakeholders		Option	Estimated Revenue
Rank	% Supp	Rank	% Supp		
1	73%	9	37%	Incentivized Contributions	\$50,000
2	71%	5	52%	Technology Based Voluntary Contributions	\$25,000
3	70%	8	38%	Dedicated revenue from the GRT on sporting goods (70%)	\$8,100,000
4	68%	1	70%	Dedicated Revenue from Oil and Gas Receipts	\$9,000,000
5	68%	2	62%	New Mexico Outdoor Stamp (@ 25% compliance level)	\$1,890,423
5	68%	2	62%	New Mexico Outdoor Stamp (@ 50% compliance level)	\$3,780,845
5	68%	2	62%	New Mexico Outdoor Stamp (@ 75% compliance level)	\$5,671,268
6	64%	4	60%	Redirection of Lottery Revenue	\$9,000,000
7	61%	8	38%	Excise Tax on Sporting Gear (1%)	\$1,400,000
8	59%	7	41%	Excise Tax on Wildlife Feed (1%)	\$350,000
9	55%	6	42%	Increase the GRT (1/64 of 1%)	\$12,250,000
10	45%	10	27%	Vehicle Registration Fee (\$5)	\$3,200,000

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION	4
STUDY NEED	4
SOURCES REVIEWED TO IDENTIFY POTENTIAL REVENUE OPTIONS	5
GROSS RECEIPTS TAX	5
CONSTITUTIONAL AMENDMENTS	5
OFF-HIGHWAY VEHICLE FEES	6
EXISTING STAMP AND VALIDATION PROGRAMS	6
PREVIOUS WILDLIFE FUNDING DISCUSSIONS AND WORK IN NEW MEXICO	7
SURVEY METHODS	9
STAKEHOLDER SURVEY	11
GENERAL PUBLIC SURVEY	10
RESULTS.....	13
INCENTIVIZED CONTRIBUTIONS	17
TECHNOLOGY-BASED VOLUNTARY DONATIONS	19
DEDICATED REVENUE FROM EXISTING GRT ON OUTDOOR GEAR.....	20
REDIRECTION OF GAS AND OIL REVENUE	21
NEW MEXICO OUTDOOR STAMP	23
REDIRECTION OF LOTTERY FUNDS.....	26
EXCISE TAX ON OUTDOOR GEAR	27
EXCISE TAX ON WILDLIFE FEED	29
GROSS RECEIPT TAX (GRT) INCREASE	31
VEHICLE REGISTRATION FEE	32
SUMMARY	37

Phase II: Identifying Potential New Funding Options and Public Support

Introduction

In October 2020, Southwick Associates was contracted by the New Mexico Department of Game and Fish (NMDGF) to explore potential new funding opportunities and gauge public support for each option. The primary purpose of this study was to identify a stable source of required matching funds should '[Recovering America's Wildlife Act](#)' (RAWA) become federal law. The NMDGF anticipates they will be eligible for \$27 million dollars annually through RAWA; thus, anticipates needing \$9 million dollars in matching funds each year to fully capture its share of RAWA disbursement if this act passes. These funds would specifically be dedicated to the restoration of habitat and management of Species of Greatest Conservation Need, as identified by the state's [State Wildlife Action Plan](#). The report is intended to be used by NMDGF staff and commissioners, policymakers, stakeholders, and the public to inform future conversations about diversifying the NMDGF funding model.

For this study, each option was identified via previous research in New Mexico as cited within, plus other states and especially a recent report for Colorado Parks and Wildlife¹. Each alternative was modified when necessary to best fit New Mexico through discussions with NMDGF staff. Overall, 10 potential future funding mechanisms were assessed. This study was not designed to assess the likelihood of success for each alternative; rather, this report presents estimates of the potential new revenue NMDGF would realize by pursuing each alternative along with public and stakeholder feedback about each.

Study Need

Like all state fish and wildlife agencies, most of the funding comes from the sale of state hunting and fishing licenses, which are then matched by federal aid reimbursement programs, most notably the Pittman-Robertson (wildlife) and Dingell-Johnson (fisheries) programs. Those reimbursements are based on the number of individuals who participate in hunting and fishing and the amount of money received nationally by the Wildlife and Sport Fish restoration programs via excise taxes paid on hunting, fishing and boating equipment and fuels. These combined funds support fish and wildlife research and management under what was historically been called a 'user-pays, user-benefits' model.

¹ Colorado Parks and Wildlife Future Funding Study. 2018. Meridian Institute and Earth Economics.

However, the NMDGF is facing a challenge common across states regarding funding. Demand for non-game conservation funds is especially pronounced considering the current ‘user-pays, user-benefits’ model is oriented towards game species, with exceptions. In response, state fish and wildlife agencies nationally, along with their conservation partners, have introduced the RAWA bill to help secure greater non-game funding. Like the current model, each state would be required to provide matching funds to receive federal funds. This project is designed to help identify potential matching fund sources for New Mexico.

Sources Reviewed to Identify Potential Revenue Options

Multiple avenues were explored to identify possible new revenue options. These included discussions with NMDGF staff, recent similar efforts in Colorado, plus previous funding discussions and research in New Mexico. A summary of the general funding options being considered and how they fit New Mexico’s situation follows. Most of these options explore assigning a portion of existing revenue streams to the NMDGF for use as matching funds, while several are new funding concepts.

Gross Receipts Tax

New Mexico is one of a handful of states that uses a gross receipts tax (GRT), rather than a sales tax, to generate revenue through the sale of goods and services. Current tax rates vary from 5.125% to 8.6875%, depending on the business location. This tax functions much like a sales tax by generally being passed along to the consumer. New Mexico also collects a 5.125% compensating tax, which is an excise tax on goods bought out-of-state and used in the state; it essentially protects in-state businesses that are required to pay the GRT. During FY20², the GRT and compensating tax generated approximately \$3 billion, which amounts to 39% of the New Mexico’s revenue sources³. Gross receipt taxes may be changed twice annually in January or July.

Constitutional Amendments

New Mexico has a history of amending its State Constitution. To amend the constitution, a legislator from either house can propose amendments. The proposed amendment must be supported by a majority of members of both chambers before being eligible to be placed on the ballot. Once on the ballot, a simple majority of voters is required to ratify an amendment. Since its 1911 ratification, the New Mexico State Constitution has been amended approximately 170 times.

Conservation funding via voter-supported constitutional amendments has precedent in other states. For example, Minnesota has a similar constitutional amendment process, and in 2008 voters approved

²Source: [A Guide to New Mexico’s Tax System](#)

³ Source: [New Mexico Voices for Children](#)

a 25-year constitutional amendment that increased the state sales tax by three-eighths of one percent. One-third of that fund (approximately \$100M/year) is directed toward the Outdoor Heritage Fund⁴. These funds are highly specific in purpose and, "may be spent only to restore, protect and enhance wetlands, prairies, forest and habitat for fish, game and wildlife." Consequently, the funds cannot be used to pay full-time staff salaries or as general agency operating revenues for Minnesota. Since fiscal year 2010, nearly \$1 billion dollars have been generated for approved activities.

Off-highway vehicle fees

Off-highway vehicles (OHV) are regulated through NM Chapter 66, OFF-HIGHWAY MOTOR VEHICLES. Registration of these vehicles is required for both residents and non-residents if the OHV is used on public land; registration is not required for private land use. Currently, the fee for residents is \$53 initially and \$50 every 2 years thereafter. Non-residents must be registered in their home state and purchase either a 90-day (\$18) or a 2-year permit (\$48).

There are <25,000 resident and 3,000 non-resident registrations annually. In 2020, the program generated \$1.34M in registration fees and \$6.2M overall. Likely related to COVID, this amount is higher than 2019, when \$1.1M and \$3.8M in registration and total fees were generated, respectively. The 2019 fees more closely align with revenues back to 2017 and are likely the levels to use when considering potential future revenues.

Existing stamp and validation programs

Habitat stamp. The New Mexico habitat stamp (also called the public land management stamp) was created in 1986 and requires individuals to purchase this \$5 stamp if they hunt, fish or trap on BLM or US Forest Service lands. Currently, the Habitat Stamp Program raises roughly \$1 million a year from hunters and anglers, which in turn may bring in up to roughly \$3 million a year in federal matching funds. Funds are distributed as a base amount allocated to five regions and a grant program based on land management plans. In 2020, the NMDGF entered a rule process that extended the program for 10 more years, allocated 50% to fish, and doubled the fee to \$10.

Habitat Management and Access Validation (HMAV). The HMAV program was authorized in April 2006 and requires adult resident and non-resident hunters and anglers to purchase a mandatory \$4 validation, which is used to manage the 'Open Gate' program. As the validation is compulsory with hunting and angling licenses, the revenue generated from this program is contingent on those licenses. Since 2013, an average of \$900,000 has come into NMDGF annually through this program (Table 1).

⁴ [Minnesota Outdoor Heritage Fund](#)

Table 1. Revenue generated annually from the Habitat Management and Access Validation program, 2013 - February 2021.

Year	N	Resident	Non-Resident	Amount
2013	187,514	55,389	132,125	\$749,720
2014	212,757	145,837	66,920	\$851,028
2015	222,422	149,700	72,722	\$889,688
2016	228,608	153,582	75,026	\$875,078
2017	232,068	154,365	77,703	\$887,162
2018	225,293	149,664	75,629	\$861,342
2019	286,084	177,938	108,146	\$1,098,876
2020	282,922	193,678	89,244	\$1,085,452
Total	1,877,668	986,475	608,271	\$6,212,894
Average	234,709	147,519	87,189	\$912,293

Gaining Access into Nature (GAIN). The GAIN program was authorized during the 2005 legislative session⁵. The program was ostensibly created to “encourage and promote wildlife-associated recreation in New Mexico and to provide for public participation in the use of available natural resources in a manner that will benefit the general public in its enjoyment of public assets and the state and its political subdivisions in increased economic development.” To administer the program, a \$15 permit was required (along with an HMAV permit), which allowed access to most state wildlife management areas for non-consumptive use. This \$19 annual validation allowed wildlife viewing, photography, hiking, bicycling, cross-country skiing, snowshoeing and horseback riding on these properties⁶. However, the program generated few sales (<500/year), and although the program continues, the fee was discontinued after 2015⁷.

Previous Wildlife Funding Discussions and Work in New Mexico

Previous work has analyzed the feasibility of increasing revenues for New Mexico conservation activities. Below is a summary of the major documents identified during this evaluation; it is not a comprehensive evaluation of previous alternative funding projects.

⁵ [17-4-33. Gaining access into nature program](#)

⁶ <http://www.wildlife.state.nm.us/enjoy-wildlife-areas-but-remember-permit/>

⁷ Ryan Darr and Chad Nelson, NMDGF, personal communications

Funding Conservation for New Mexico: Providing for Future Generations (2004)⁸. This study resulted from House Joint Memorial 37, which passed unanimously in both houses during the 2004 legislative session. The memorial directed NMDGF and the Energy, Minerals and Natural Resources Department to “investigate sustainable alternative funding measures to protect New Mexico’s unique landscapes, open spaces, recreation areas and wildlife habitats.” At the time, New Mexico residents indicated:

- 61% of New Mexicans believe that a permanent, stable source of public funding should be set aside “to protect unique natural lands, wildlife species and drinking water sources” in the state.
- 84% of New Mexicans strongly favor “preserving land that protects water quality in aquifers, rivers and creeks.
- 92% of our citizens support “preserving farming and ranching as a way of life” in New Mexico.

The authors noted that New Mexico was lagging in identifying stable conservation funding, as compared to other western states. In addition, future needs (\$37.5 million to \$48.4 million annually) were far below the current \$10.2 million annual funding level. The authors analyzed a variety of alternative revenue sources and ultimately concluded that New Mexico needs to “establish a comprehensive, dedicated broad-based revenue source for land and wildlife conservation programs.” Example tools included voter-approved initiatives (such as general obligation bonds, constitutional amendments, voter referenda and use of severance tax proceeds) and legislature- or governor-approved funding.

The Trust for Public Land – New Mexico Land Conservation Funding Study (2009). This study evaluated the various mechanisms through which land and water conservation could be funded. The study provided a broad evaluation of programs and public funding options that may be used for those purposes. The authors used information compiled from other sources to generate their estimates.

New Mexico Share with Wildlife Program: Generating Increased Matching Funds for State Wildlife Grants (2015)⁹. The Share with Wildlife program was created by the legislature in 1981. It established means for collecting funds through an income tax check-off for individuals receiving a refund. The goal of the trust fund was to create a balance of \$1 million, such that the program could operate on interest alone. Initial contributions into the fund averaged over \$200,000 per year for the first 10 years; however, by 2015 that amount had dropped to \$40,000 annually. This study also considered alternative funding sources, ranging from small (<\$25,000/year) to large (>\$100,000/year), including

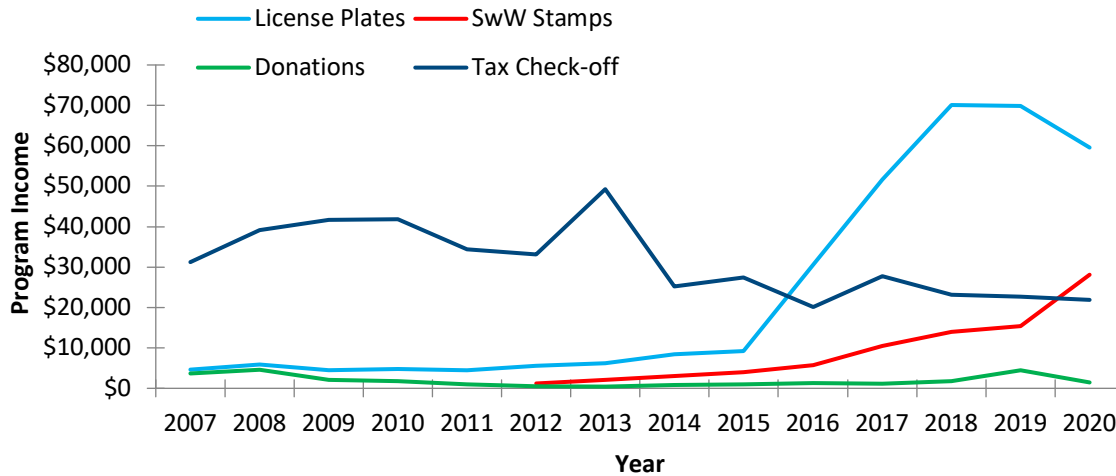
⁸ Funding Conservation for New Mexico: Providing for Future Generations (2004). Conservation Funding Report House Joint Memorial 37, 46th Legislature, 2nd Session. Prepared by the Department of Game & Fish and the Energy, Minerals and Natural Resources Department. http://www.wildlife.state.nm.us/download/conservation/habitat-handbook/New-Mexico-Conservation-Funding-03_02_2005.pdf.

⁹ New Mexico Share with Wildlife Program: Generating Increased Matching Funds for State Wildlife Grants (2015). Prepared by the Department of Game & Fish, Ecological and Environmental Planning Division.

some of the items identified in this report (Figure 1). The authors concluded the current level of Share with Wildlife funding was barely sufficient to leverage funds against current State Wildlife Grant reimbursements.

Figure 1. Share with Wildlife program income, 2007 - 2020¹⁰.

Survey Methods



Ultimately, ten potential funding options were approved by NMDGF to include in the survey:

- Gross Receipts Tax (GRT) increase
- Dedicated Revenue from Existing GRT on Sporting Gear
- Excise Tax on Sporting Gear
- Excise Tax on Wildlife Feed
- Redirection of Lottery Revenue
- New Mexico Outdoor Stamp
- Vehicle Registration Fee
- Incentivized Contributions
- Technology-based Voluntary Contributions
- Dedicated Revenue from Oil and Gas Receipts

¹⁰ Graph provided by Virginia Seamster, NMDGF.

To create a range of financial estimates, subject matter experts were consulted in the various agencies and publicly available information was examined. Prior evaluations that have been conducted in New Mexico were also reviewed.

Surveys were conducted of both the general New Mexico public and NMDGF stakeholders. A questionnaire was designed to assess stakeholder and general public feedback (both attitudinal support and intensity) for each option (Appendix A). The general public survey was coded using an online survey platform (Alchemer); an identical paper version was provided to NMDGF for fielding to agency stakeholders using a list maintained by the agency.

Stakeholder Survey

The NMDGF sent a convenience sample of 3,000 invitations to stakeholders and received 132 completed responses. The agency analyzed the data and provided a summary of results for this report. Respondents were 92% male; age class distribution was 13% 18 – 34 years of age, 48% 35 – 54 years of age, and 39% 55 years of age or older. In total, 80% identified as non-Hispanic, of which 87% were White/Caucasian.

Most respondents (39%) lived in rural areas. Overall, 58% of respondents had a 4-year degree or higher and 19% noted income of less than \$50,000 per year¹¹.

Nearly all (86%) participated in wildlife viewing activities. As expected, stakeholders were avid outdoor enthusiasts. Respondents most often listed hunting (95%), fishing (89%), camping (87%) and hiking/backpacking (71%). Motorized and non-motorized boating (26%) were listed least often.

General Public Survey

The general public survey was fielded to a balanced sample representing all New Mexico residents. Similar research is simultaneously being conducted for the Association of Fish and Wildlife Agencies through Virginia Tech, with the NMDGF as a funding agency. Thus, the panel demographics were designed to be similar with the intent to add complementary value to the agency.

Data were analyzed using the Statistical Program for the Social Sciences (SPSS 22). Degree of support or opposition was measured on a 7-point scale, from “1 – very minor support/opposition” to “7 – Entirely support/oppose”. An average score is reported for each option.

In total, 502 completed surveys were received. Respondents were 56% female¹²; age class distribution was 35% 18 – 34, 29% 35 – 54, and 36% 55+. The median age was 44 (Mean = 49.9, range = 18 – 92). In total, 32% identified as Hispanic; of the non-Hispanic respondents, 89% were White/Caucasian, 4.8%

¹¹ ‘Prefer not to answer’ (n = 19) were excluded.

¹² Respondents who listed ‘gender not identified’ (n = 9) were excluded due to small sample size.

Native American, 3.0% Black/African-American, and <2% each identified Asian, Pacific Islander or other.

Most respondents (40%) lived in urban areas. Overall, 41% of respondents had a 4-year degree or higher and 62% noted income of less than \$50,000 per year¹³. A complete demographic breakdown is displayed in Table 2.

More than half (56%) participated in wildlife viewing activities¹⁴, which is slightly higher than the 2011 USFWS national survey (34%). However, those percentages are not directly comparable given the age of the USFWS data and definitions of wildlife viewing. Respondents were avid outdoor enthusiasts in that 81% participated in at least one of the listed activities. Of note, this percentage is comparable to other recent work in New Mexico. The 2015-2020 State Park strategic plan indicated that 93% of New Mexicans recreate outdoors. A 2018 study revealed that 76% (+/- 4.9%) of New Mexicans consider themselves outdoor enthusiasts¹⁵. Finally, a 2016 Outdoor Industry Association (OIA) study estimated 65% of New Mexicans recreate outdoors.

Respondents most often listed running/jogging/walking (52%), camping (42%) and swimming (39%), while geocaching (4.4%) and motorized boating (4.4%) were listed least often (Figure 2).

¹³ 'Prefer not to answer' (n = 12) were excluded.

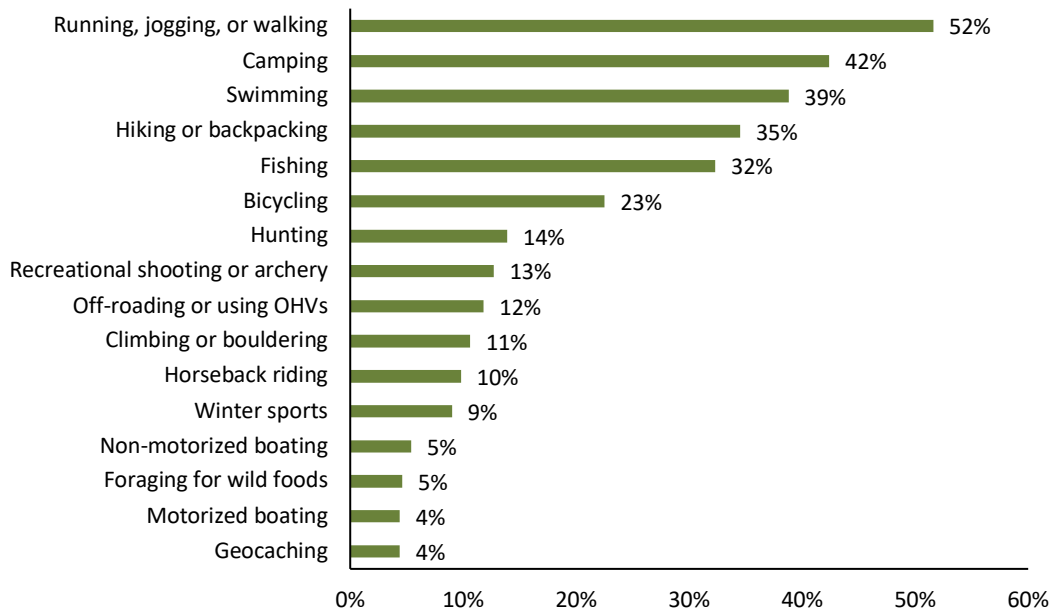
¹⁴ For consistency, the wildlife viewing definition was taken from the AFWA-funded survey. "By 'wildlife viewing' we mean intentionally observing, photographing, feeding or collecting data about wildlife; improving and maintaining natural areas for the benefit of wildlife; or visiting parks and natural areas because of wildlife and for recreational purposes. Wildlife refers to all animals, such as birds, fish, insects, mammals, amphibians and reptiles, that are living in natural or wild environments. Wildlife includes animals living in urban and semi-urban places, but does not include animals living in aquariums, zoos and other artificial surroundings or domestic animals such as farm animals or pets."

¹⁵ Source: [Colorado College. 2018. Conservation in the West Poll.](#)

Table 2. Demographic information for New Mexico general population respondents.

Demographics	Male	Female	Total
Age Group			
18 to 34	26.5%	41.1%	34.6%
35 to 54	28.3%	30.5%	29.6%
55 or over	45.2%	28.4%	35.8%
Ethnicity			
Hispanic	24.2%	38.9%	32.4%
Race			
White or Caucasian	91.6%	85.7%	88.6%
Black or African American	1.8%	4.2%	3.0%
American Indian or Alaska Native	3.0%	6.5%	4.8%
Asian	1.2%	1.8%	1.5%
Native Hawaiian or Pacific Islander	0.6%	0.6%	0.6%
Other	1.8%	1.2%	1.5%
Income			
Less than \$24,999	23.3%	43.5%	34.4%
\$25,000 - \$49,999	27.2%	28.5%	27.9%
\$50,000 - \$74,999	17.0%	10.7%	13.5%
\$75,000 - \$99,999	15.5%	8.7%	11.8%
\$100,000 - \$124,999	6.3%	2.8%	4.4%
\$125,000 or more	10.7%	5.9%	8.1%
Community			
Rural (< 2,500 people)	14.6%	17.5%	16.2%
Small town (2,500 - 10,000 people)	16.4%	20.4%	18.6%
Small city (10,000 - 50,000 people)	21.0%	29.1%	25.5%
Urban area (> 50,000 people)	47.9%	33.1%	39.7%
Education			
High school diploma or equivalent	4.6%	4.7%	4.7%
Some college, no degree	18.7%	26.9%	23.3%
Associates degree	25.1%	29.5%	27.5%
Bachelor's degree	12.8%	15.6%	14.4%
Master's degree	20.1%	12.4%	15.8%
Professional degree (DVM, JD, MD)	11.0%	6.9%	8.7%
Doctorate degree	3.2%	0.7%	1.8%

Figure 2. General public participation in various outdoor activities.



Results

To gauge potential support for the various funding options, general survey respondents¹⁶ were presented with some background information regarding the research scope,

‘Recovering America’s Wildlife Act’ (RAWA), as proposed, will provide federal funds to support conservation of vulnerable species. Should RAWA become federal law, the New Mexico Department of Game and Fish (NMDGF) anticipates they will be eligible for \$27 million dollars. To fully capture these funds, NMDGF would need to provide a match of \$9 million dollars annually. These funds would be specifically dedicated to the restoration of habitat and management of species of greatest conservation need, as identified in their state wildlife action plan.

The NMDGF commissioned this study to help identify potential sources of matching funds and gain public feedback about suggested options.

The first question, “Do you generally support increasing the NMDGF funding to access additional RAWA funds?” was designed to obtain baseline about how the statement above could be assessed and

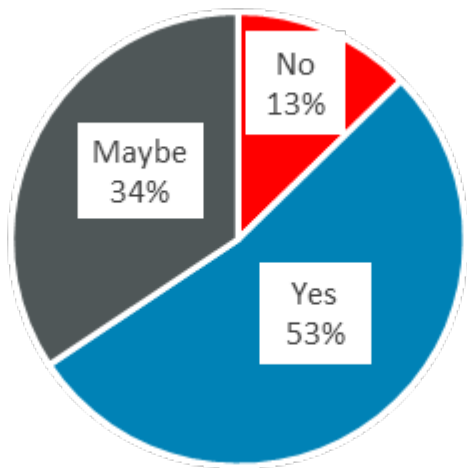
¹⁶ The stakeholder survey recipients were not provided with background information on RAWA.

options subsequently measured. Respondents were given answer choices of “Yes”, “No” and “Maybe, it depends”.

General Public

Overall, only 13% of general public respondents did not support increasing NMDGF funding to access RAWA funds; half (53%) were supportive, and the remaining 34% indicated ‘maybe, it depends’ (Figure 3). Individuals who did not support increased funding generally noted a lack of knowledge of the issue, personal finance limitations and other higher priority funding needs.

Figure 3. Percent of the general public favoring/not favoring increased funding for RAWA match.

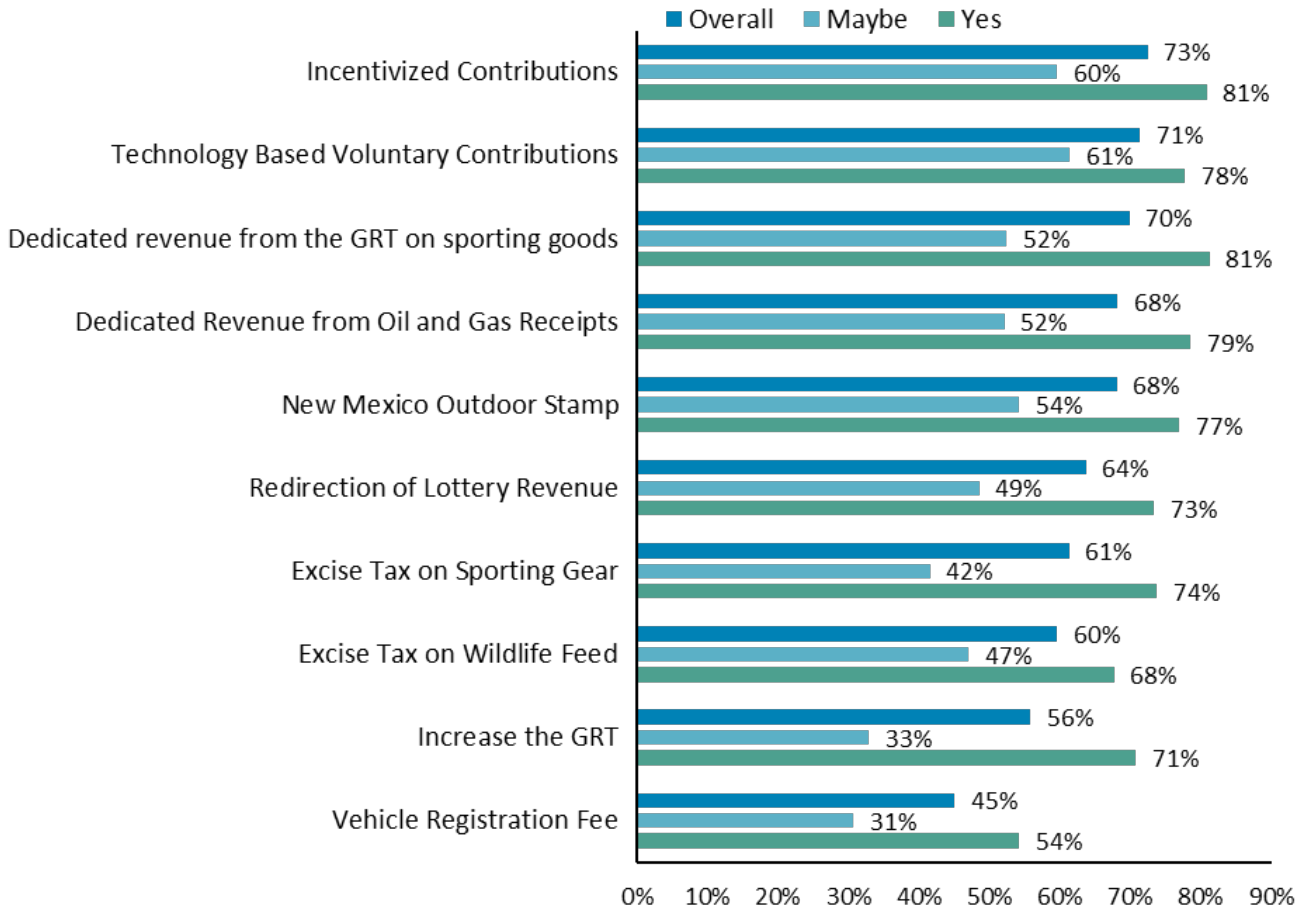


The results below present the percentages and intensity scores just for those who checked “Yes” or “Maybe, it depends”. In some cases, the “Yes” and “Maybe” responses were combined to limit the number of tables and graphs in the report. Finally, the results below do not reflect the 63 individuals who opposed increasing NMDGF revenue.

Overall, the options that would generate the lowest revenue (incentivized contributions and voluntary contributions) received the greatest public support. Only vehicle registration fees (45%) were supported by less than half of respondents (Figure 4).

Individual options presented below are from highest (incentivized contributions) to lowest (vehicle registration fees) support among the general public.

Figure 4. Percent support for 10 NMDGF funding options between general public respondents who checked ‘Yes’ or ‘Maybe’ to the question “Do you generally support increasing the NMDGF’s funding to access additional RAWA funds?”. Percentages do not sum to 100 because ‘Yes’ and ‘Maybe’ responses for each option are from two distinct groups.



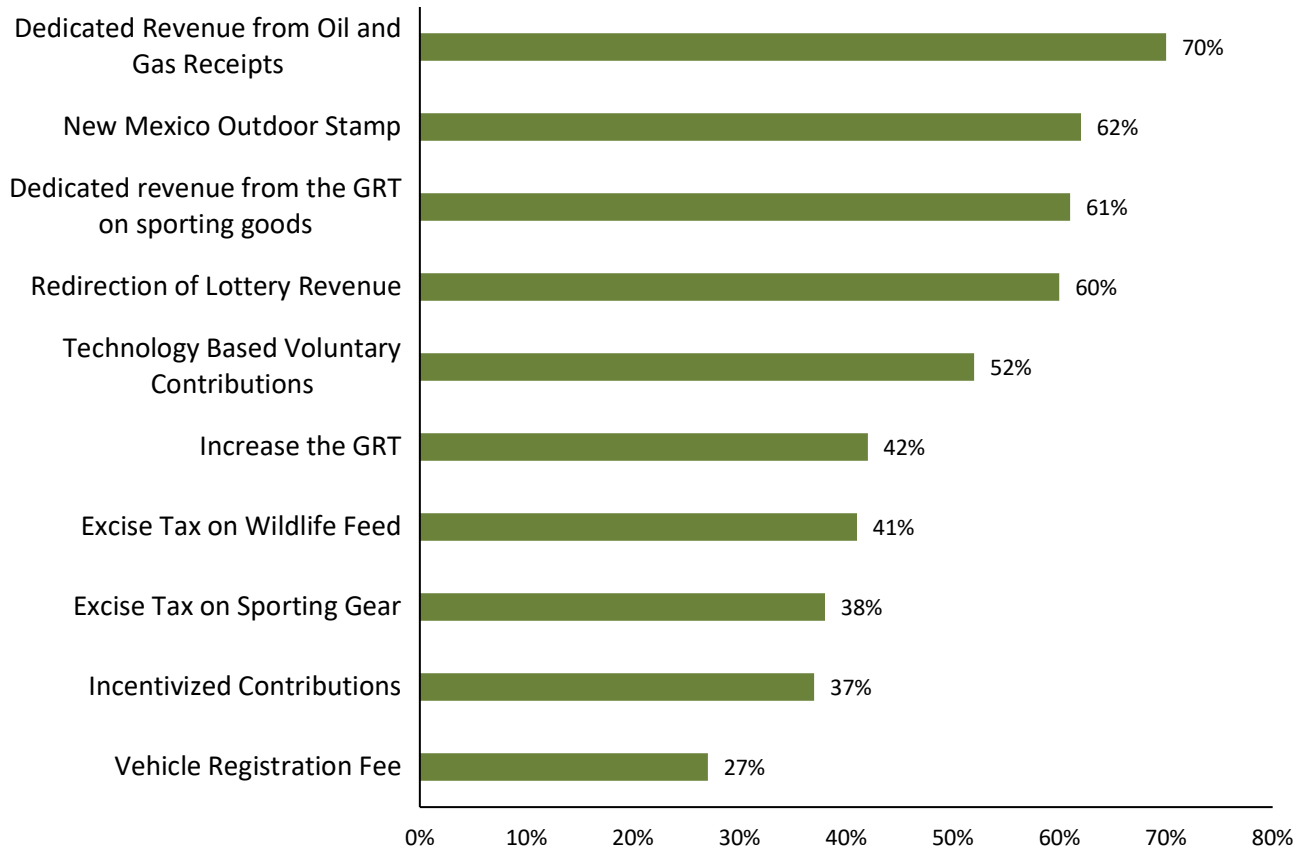
Stakeholders

A similar percentage of stakeholders (12%) did not support increasing NMDGF revenues. However, stakeholders were generally less supportive, as 38% said ‘Yes’ and the remaining 50% indicated ‘Maybe, it depends’. Stakeholders who were not supportive generally noted costs, the need to spend more on game management and government spending in general.

Degree of support or opposition was measured on a 7-point scale, from “1 – very minor support/opposition” to “7 – Entirely support/oppose”. Those data are presented as percentages.

Overall, oil and gas revenues and the outdoor stamp received the highest stakeholder support and a vehicle registration fee the lowest. Half of the options were not supported by a majority of stakeholders (Figure 5).

Figure 5. Stakeholder support for NMDGF funding options.



Potential Funding Options

Incentivized Contributions

Description: Incentivizes outdoor recreation users to voluntarily donate through partner membership-based organizations, outfitters or other intervention points.

New Mexico currently has a variety of voluntary programs designed to support New Mexico wildlife conservation and management. Generally promoted through its Share with Wildlife (SwW) program, these programs generate a relatively small amount of money annually for conservation work. Examples include conservation license plates (<\$60,000/year), tax check-off donations (<\$30,000/year), \$10 habitat stamps (<\$10,000/year) and direct donations to the program (<\$1,500/year) (Figure 3)¹⁷.

Many of these alternatives were thoughtfully considered in 2015, along with a host of other programs that would collectively represent smaller revenue streams. Promoting these programs (or a new one) through partners was also considered in 2015 and the SwW coordinator has worked with internal marketing staff to boost contributions. While there is certainly room to grow voluntary programs, they generally yield smaller results as compared to mandatory license, stamps or other fees. The Virginia Division of Wildlife Resources has a membership program called, “Restore the Wild¹⁸”, which could be used as a template for a New Mexico-specific program, should it be adopted as a RAWA funding mechanism.

Annual revenue potential: Limited, likely less than \$50,000 per year.

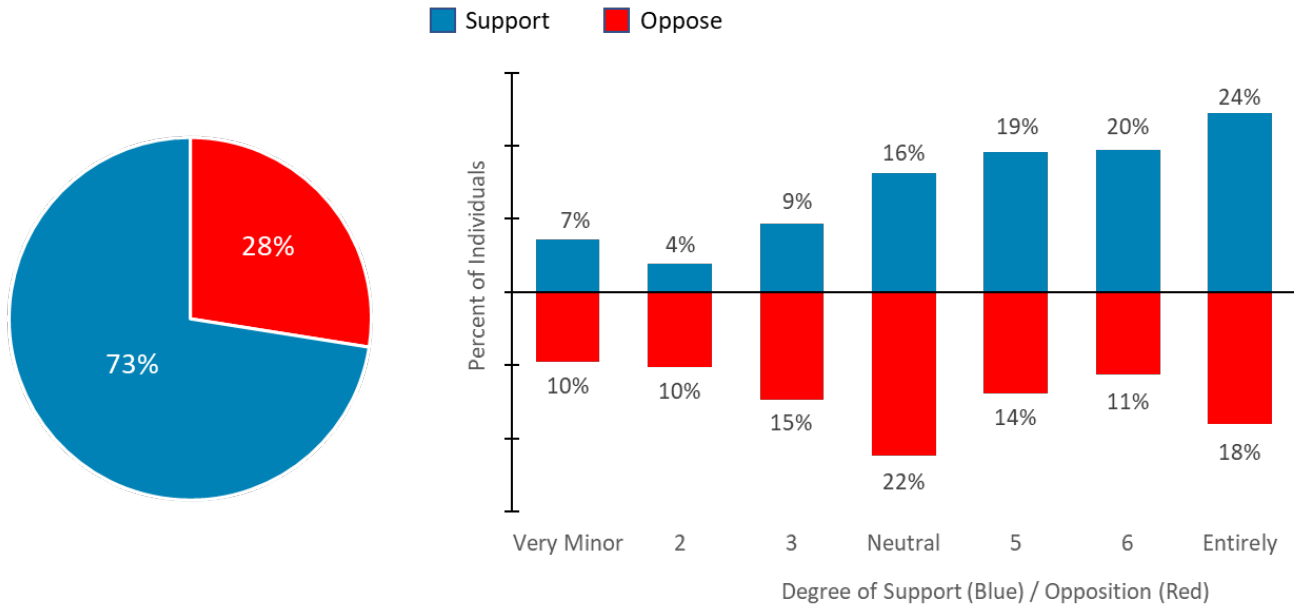
General Public Feedback: Overall, 73% supported an incentivized contribution program. Degree of support was moderately strong as a majority (63%) checked 5, 6 or 7 (entirely support). Of the 27% who opposed this option, the degree of opposition was lower as 43% checked 5, 6 or 7 (entirely oppose) (

Figure 6).

¹⁷ Graph provided by Virginia Seamster, NMDGF

¹⁸ [Virginia DWR: Restore the Wild](#)

Figure 6. General public support for an incentive-based contribution program (left) and histogram of support versus opposition (right).



Stakeholder Feedback: Overall, 37% supported an incentivized contribution program. Degree of support among those respondents was moderately strong as 67% checked either 5, 6 or 7 (entirely support). Of the 63% who opposed this option, more than half (52%) were entirely opposed.

Technology-Based Voluntary Donations

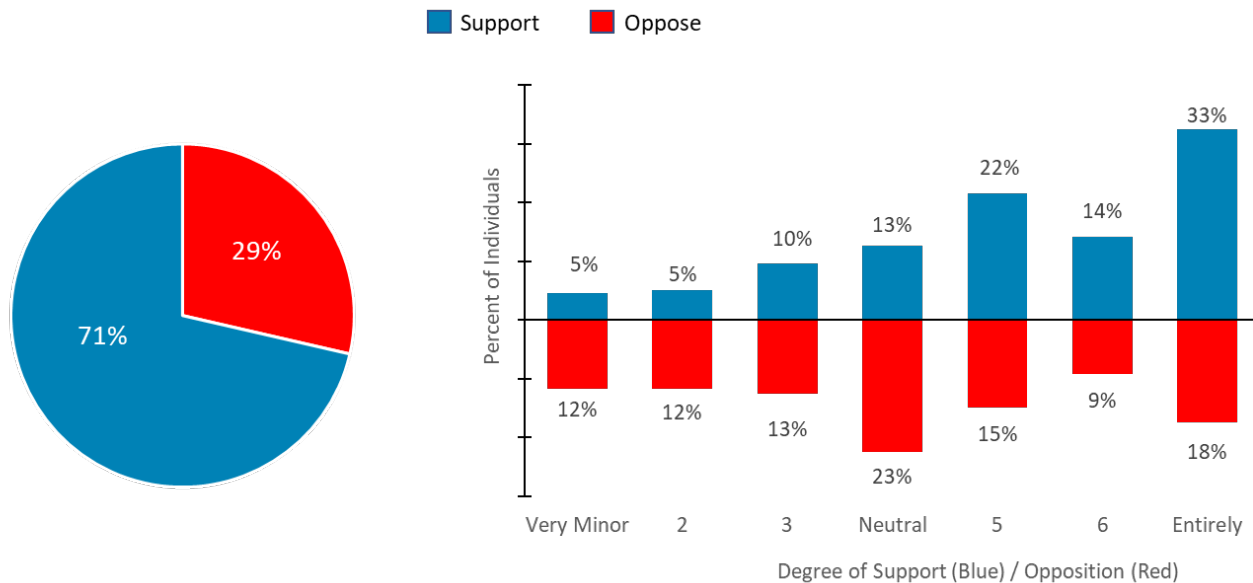
Description: Leverage technology, especially smartphones, to encourage voluntary giving.

Direct donations to the SwW program are <\$1,000 annually. While there may be opportunities to market directly from stakeholder group websites, or through other NMDGF marketing campaigns, it is unlikely a marketing effort could be developed that would yield a significant revenue increase.

Annual revenue potential: Limited, likely less than \$25,000 per year.

General Public Feedback: Overall, 71% supported technology-based voluntary donations. Degree of support was strong, as two-thirds (68%) checked either 5, 6 or 7 (entirely support). Individuals who agreed with this option tended to be almost or entirely supportive. Of the 29% who opposed this option, the degree of opposition was much lower (42% checked 5, 6 or 7). Conversely, there was no definitive pattern among those who opposed this option (Figure 7).

Figure 7. General public support for a voluntary donation program (left) and histogram of support versus opposition (right).



Stakeholder Feedback: Overall, 52% supported technology-based voluntary donations. The degree of support was moderately strong, as 64% checked either 5, 6 or 7 (entirely support). Of the 48% who opposed this option, the degree was very strong as 51% were entirely opposed.

Dedicated Revenue from Existing GRT on Outdoor Gear

Description: A portion of existing revenue generated from the Gross Receipts Tax (GRT) on outdoor gear would be redirected to NMDGF.

Annual revenue potential: Based on the 2019 taxable gross receipts from New Mexico’s sporting goods stores of \$139.9 million and the excise tax rate of 7.7%, the gross receipts tax base from which funds could be redirected is \$10.8 million per year. Using the lower and upper bounds from the Colorado study of 80% and 94%, this results in a range of funding from \$8.64 million per year to \$10.2 million per year. To provide a range of estimates for the agency, a range of 70% to 95% of the existing GRT was evaluated.

General Public Feedback: Overall, 70% supported dedicating a portion of the GRT on outdoor gear. Degree of support was moderately strong as a majority (60%) checked 5, 6 or 7 (entirely support). Of the 30% who opposed this option, half (52%) checked 5, 6 or 7 (entirely oppose) (Figure 8). Overall, half of respondents (50%) supported a dedicated rate of 70% (Figure 9). For the 8% who indicated a different percentage, the amount ranged from 10% to 65%, with 50% as the most common option entered.

Figure 8. General public support for dedicating a portion of outdoor gear GRT (left) and histogram of support versus opposition (right).

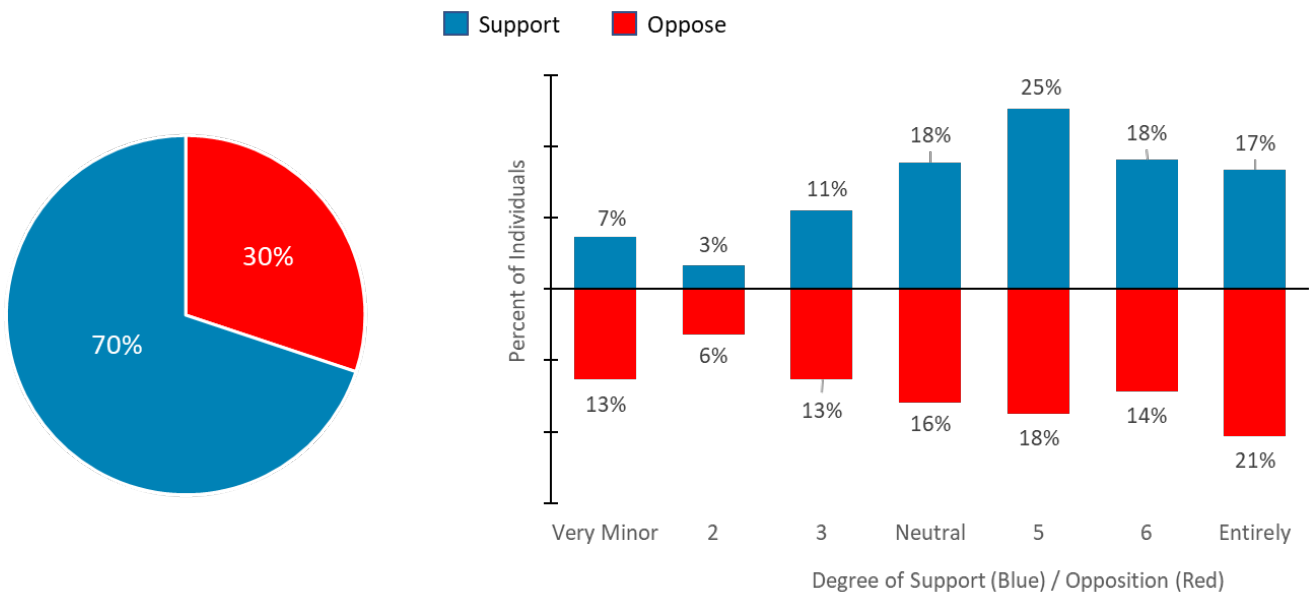
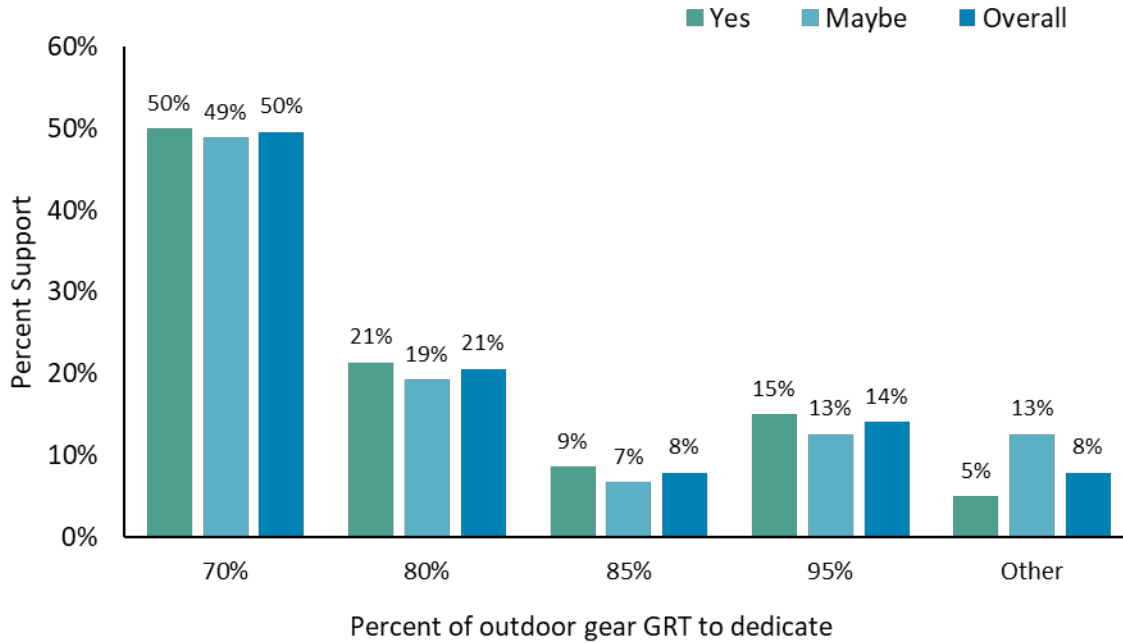


Figure 9. Percent of GRT from outdoor gear supported by respondents to dedicate to conservation.



Stakeholder Feedback: Overall, 61% supported dedicating a portion of the GRT on outdoor gear. The degree of support was very strong, as 75% checked either 5, 6 or 7 (entirely support). Of the 39% who opposed this option, the degree was equally as strong, as 71% were entirely opposed. Overall, most respondents (56%) supported a dedicated rate of 95%; in comparison, 5% supported the 70% rate. For the five individuals who indicated a different percentage, four noted 100%.

Redirection of Gas and Oil Revenue

Description: A portion of existing oil and gas revenues would be redirected to support conservation.

New Mexico is one of the largest providers of oil and natural gas in North America. In fiscal year 20 (FY20), 368 million barrels of oil and 1.829 billion cubic feet of natural gas was produced¹⁹. Financial data from FY2020 indicated \$2.8 billion in state revenues were generated for the general fund, which is the second highest total recorded (\$3.2B in FY19)²⁰. New Mexico collects several excise and ad valorem taxes, with revenue going to both the general fund and dedicated accounts ([Section 7.29.4](#)). Specific to conservation, Section 7-30-4 of the New Mexico code directs .0019% of oil and gas revenues be directed to the oil and gas reclamation fund and the state general fund. In FY20, this tax generated \$30

¹⁹ [2020 New Mexico Energy, Minerals, and Natural Resources Department annual report.](#)

²⁰ [NM Tax Research Institute - FY20 update.](#)

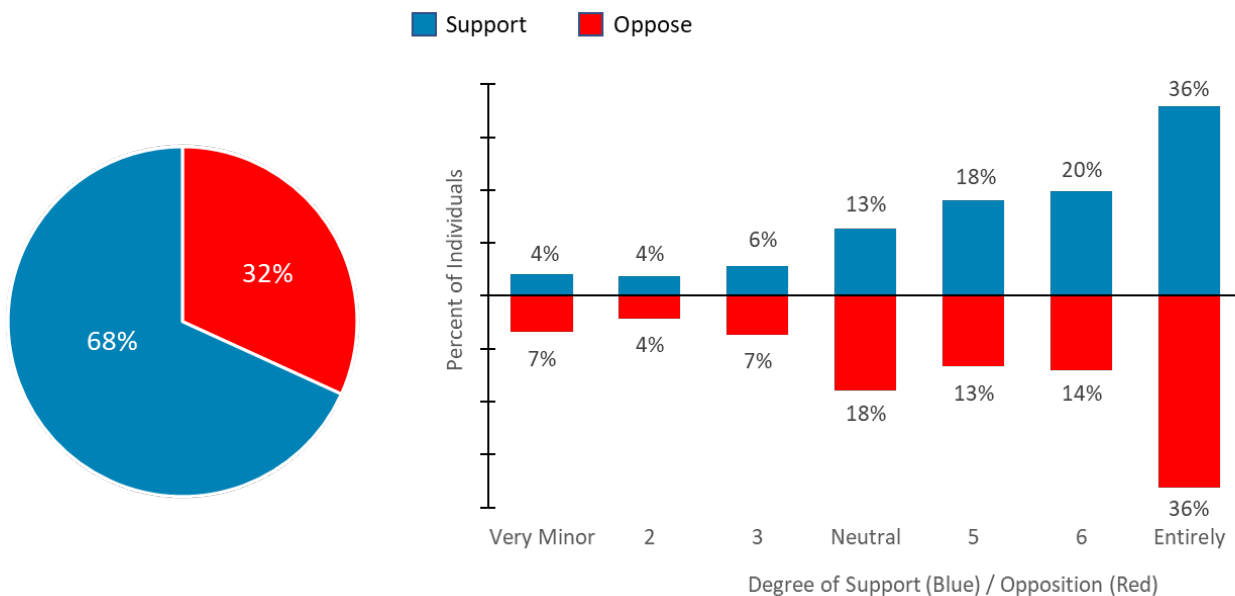
million dollars¹¹. Overall, oil and gas taxes account for approximately one-third of New Mexico’s tax revenue.

The ability to access a small portion of this substantial revenue stream as a vehicle to leverage \$9 million against \$27 million for RAWA funding could represent a significant opportunity for NMDGF. The difficulty of increasing taxes in an already highly taxed industry creates uncertainty; however, this is by far the largest pot of revenues examined.

Annual revenue potential: up to any reimbursable RAWA amount.

General Public Feedback: Overall, 68% supported redirecting some oil and gas revenues to RAWA reimbursements. Degree of support was very strong as nearly three-quarters (74%) checked either 5, 6 or 7 (entirely support). Individuals who agreed with this option tended to be almost or entirely supportive (36% were entirely supportive). Of the 32% who opposed this option, the degree of opposition was slightly lower as 64% checked 5, 6 or 7 (entirely oppose). Individuals who opposed this option followed a similar pattern (36% were entirely oppose) (Figure 10).

Figure 10. Percent support for redirecting a portion of oil and gas revenues (left) and histogram of support versus opposition (right).



Stakeholder Feedback: Overall, 70% supported redirecting some oil and gas revenues to RAWA reimbursements. The degree of support was very strong, as 73% checked either 5, 6 or 7 (entirely support). Of the 30% who opposed this option, the degree was equally as strong, as 78% were entirely opposed.

New Mexico Outdoor Stamp

Description: Require outdoor users to purchase an outdoor stamp to support conservation, outdoor recreation and fish/wildlife management.

This evaluation does not seek to increase the fee for existing users; rather, it would be a fee on all outdoor users with money directed towards RAWA reimbursements.

There have been a variety of research projects that estimated outdoor recreation participation in New Mexico. Consequently, development of a revenue potential estimate has some uncertainty and is dependent on how and when the participation estimate was developed.

In 2011, the US Fish and Wildlife Services estimated that over 550,000 people aged 16 or older engaged in wildlife watching in New Mexico. In total, they spent over \$320 million pursuing that activity²¹. From that study, New Mexicans spent 3.6 million days observing wildlife, 1.1 million days photographing wildlife and 700,000 days feeding wildlife. Further, the New Mexico Economic Development Department, Division of Outdoor Recreation estimates outdoor recreation contributes \$1.2 billion in income and 33,500 jobs²². As identified in the New Mexico Parks strategic plan 2015 – 2020, 93% of New Mexicans participate in some sort of outdoor recreation and 41% identified walking, hiking and running as their favorite activity²³. That study also noted an estimated 3 million out-of-state visitors recreate in New Mexico annually. Finally, a 2016 study of outdoor recreation participation conducted by Southwick Associates estimated 750,000 New Mexicans engaged in outdoor recreation, including camping (575,249), hiking (414,746), backpacking (166,577), off-road biking (160,883) and horseback riding (127,047).

Clearly, New Mexicans have an active interest in wildlife-related recreation and expend significant financial resources pursuing these activities. Although there is some overlap among anglers, hunters and wildlife watchers, requiring wildlife watchers and/or outdoor enthusiasts to buy an outdoor stamp could result in a significant revenue source for NMDGF.

Annual revenue potential (\$10 stamp): \$395,000 to \$7.5 million dollars, depending on compliance. Potentially more if out-of-state visitors are required to purchase an outdoor stamp to use public lands.

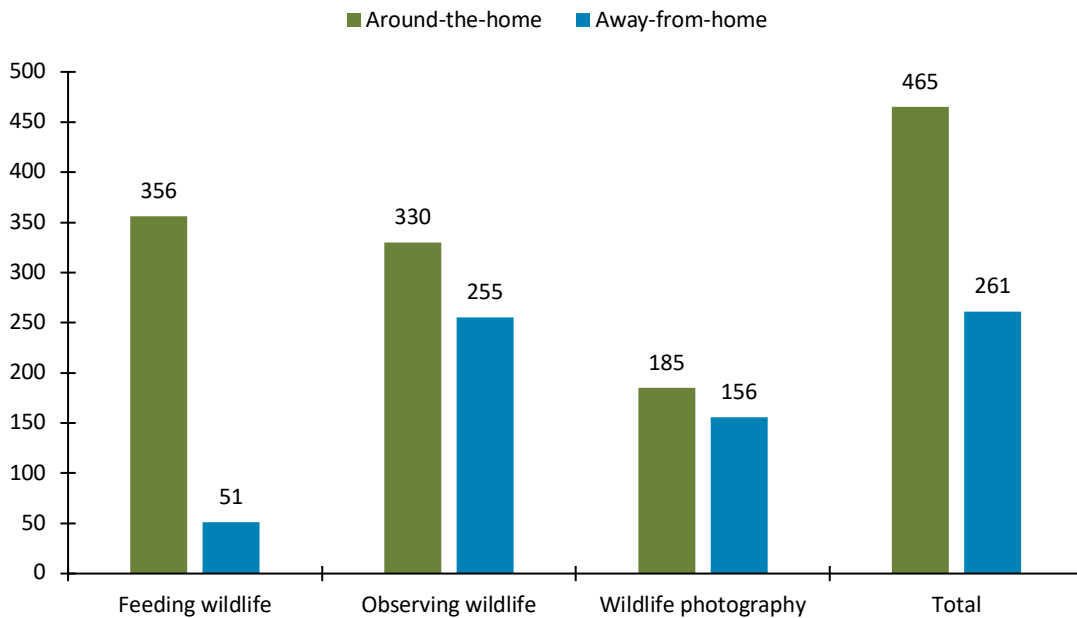
²¹ U.S. Department of the Interior, U.S. Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, New Mexico.

<https://www.census.gov/prod/2013pubs/fhw11-nm.pdf>.

²² [Outdoor Recreation and New Mexico's Economy, October 2020.](#)

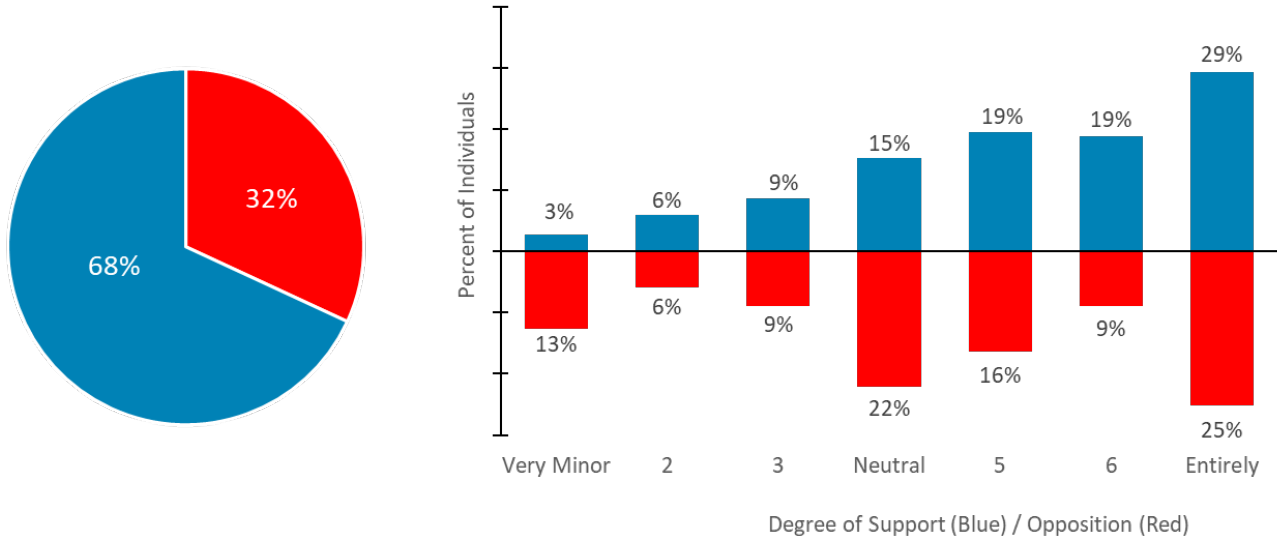
²³ [VIVA New Mexico: A Statewide Plan for Outdoor Adventure. Strategic Plan 2016 - 2020.](#)

Figure 11. Number of New Mexico wildlife watchers (in thousands) reported by 2011 US Fish and Wildlife Service National Survey.



General Public Feedback: Overall, 68% supported creating an outdoor stamp. Among supporters, 67% checked either 5, 6 or 7 (entirely support) and were most likely to be entirely supportive (29%). Of the 32% who opposed this option, half (50%) checked either 5, 6 or 7 (entirely oppose), with 25% indicated entire opposition (Figure 12). Of note, individuals who participated in at least one listed outdoor activity were slightly more likely to support this option as compared to individuals who did not recreate outdoors (71% vs. 53%).

Figure 12. Percent support for creating an outdoor stamp for all users (left) and histogram of support versus opposition (right).



Stakeholder Feedback: Overall, 62% supported creating an outdoor stamp. The degree of support was very strong, as nearly all (89%) checked either 5, 6 or 7 (entirely support). Of the 38% who opposed this option, the degree was very strong as 70% were entirely opposed.

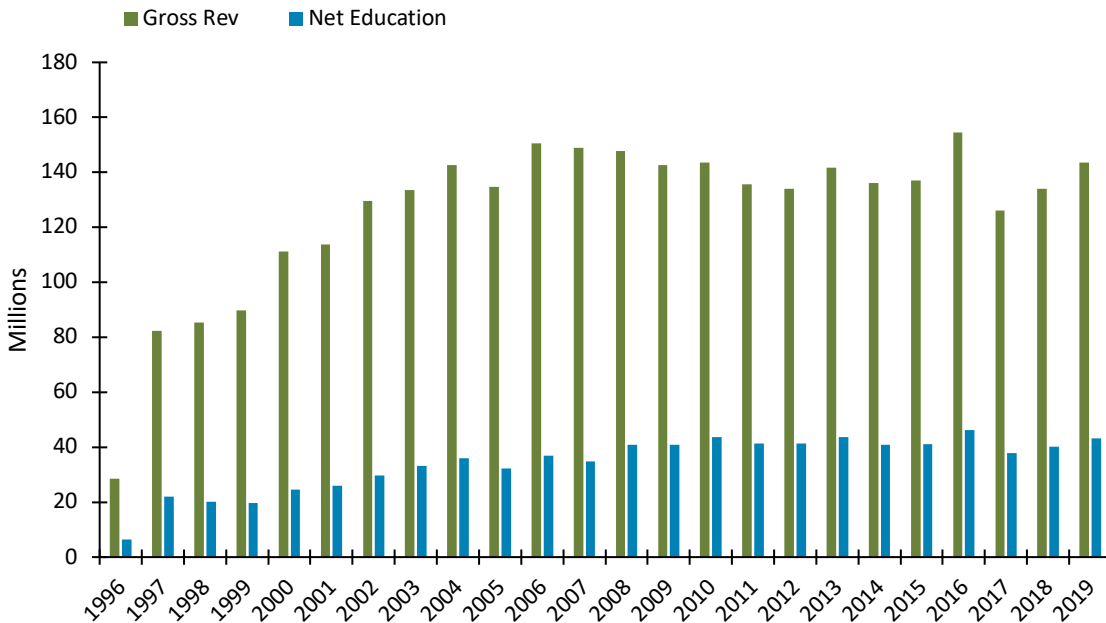
Redirection of Lottery Funds

Description: Redirect a portion of lottery funds designated for education

In 1994, New Mexico voters approved a public referendum that created a statewide lottery. The legislature subsequently passed Senate Bill 853, which legalized a lottery starting in fiscal year 1996. In its first year, the lottery generated \$28.5 million in sales and \$6.3 million in profit. Originally, 60% of net proceeds went to the school capital outlay funds and 40% went to the lottery tuition fund. Currently, at least 30% of the gross revenue of the previous month is deposited in the Lottery Tuition Fund²⁴. Since its inception, \$821 million has been deposited into this fund and by 2017 (most recent data), over 116,500 students have received scholarships from this program.

Annual revenue potential: The lottery fund is a stable revenue source; the 3-year rolling average is slightly less than \$140 million annually. Of that, just over \$40 million annually has been deposited in the Lottery Tuition Fund (Figure 13). Redirection of \$9 million to conservation would amount to 6% of the total fund or 22% of the funds currently directed to education.

Figure 13. Annual gross revenues and money directed towards education from the New Mexico lottery, by year.



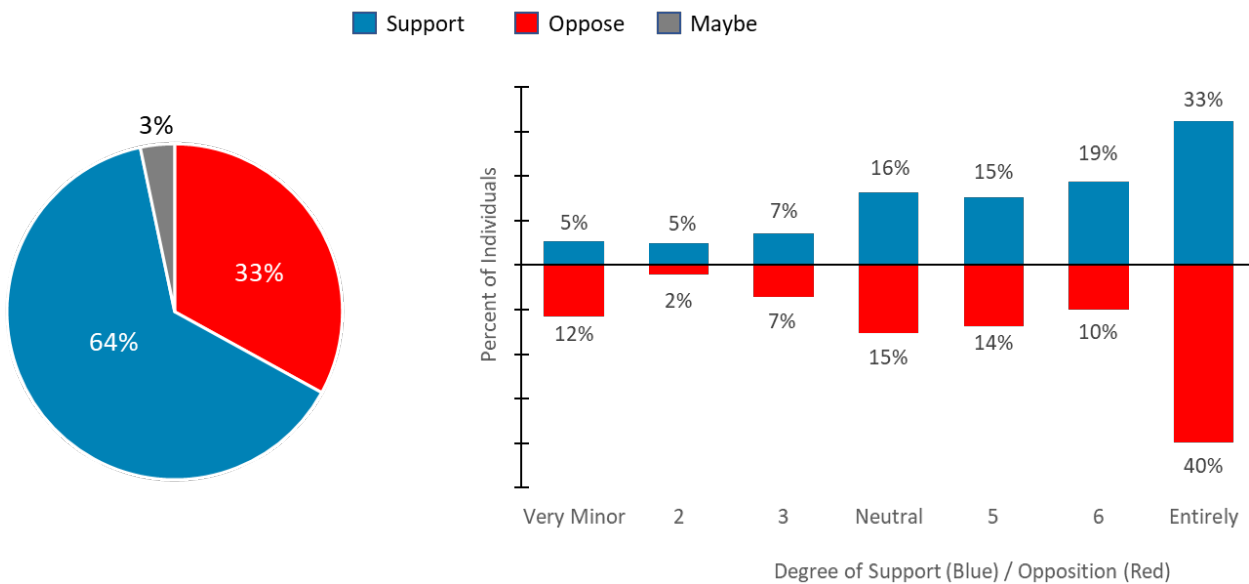
General

Public Feedback: Overall, 64% supported redirecting a portion of lottery funds to conservation. Degree

²⁴ Source: [Lottery tuition fund](#)

of support was strong as two-thirds (66%) checked 5, 6 or 7 (entire support). Of the 33% who opposed this option, the degree of opposition was nearly the same (64%). Only a few people (3.3%) indicated ‘maybe’, with comments primarily focused on concerns about funding education. Interestingly, this was the most polarized result of all 10 options. Individuals who agreed with this option tended to be almost or entirely supportive. Conversely, individuals who did not want to redirect lottery money were more likely to indicate entire opposition (Figure 14).

Figure 14. General public support for redirecting a portion of the lottery fund (left) and histogram of support versus opposition (right).



Stakeholder Feedback: Overall, 60% supported redirecting a portion of lottery funds to conservation. The degree of support was very strong, as 89% checked either 5, 6 or 7 (entirely support). Of the 40% who opposed this option, the degree was very strong as 79% were entirely opposed. For the 3% who indicated ‘Maybe’, they were generally concerned about redirecting funds away from education.

Excise Tax on Outdoor Gear

Description: A new tax on outdoor gear would generate dedicated revenue for NMDGF, which is based on the Colorado study that estimated tax increases from a 0.8% to a 10% increase in the excise tax.

Annual revenue potential: Using the 2019 estimate of gross receipts tax from sporting goods stores in New Mexico of \$139.9 million and the bounds from the Colorado study, the lower and upper bound estimates are \$1.4 million per year (from a 1% increase) to \$14 million per year (from a 10% increase).

General Public Feedback: Overall, 61% supported an excise tax on outdoor gear. Among supporters, 65% checked either 5, 6 or 7 (entirely support). For the 39% who opposed this option, the degree of

opposition was lower as less than half (47%) checked either 5, 6 or 7 (entirely oppose) (Figure 15). Overall, most respondents (50%) supported a new 1% excise tax (Figure 16). For the 4% who indicated a different percentage, most indicated less than 1%.

Figure 15. General public support for an excise tax on outdoor gear (left) and histogram of support versus opposition (right).

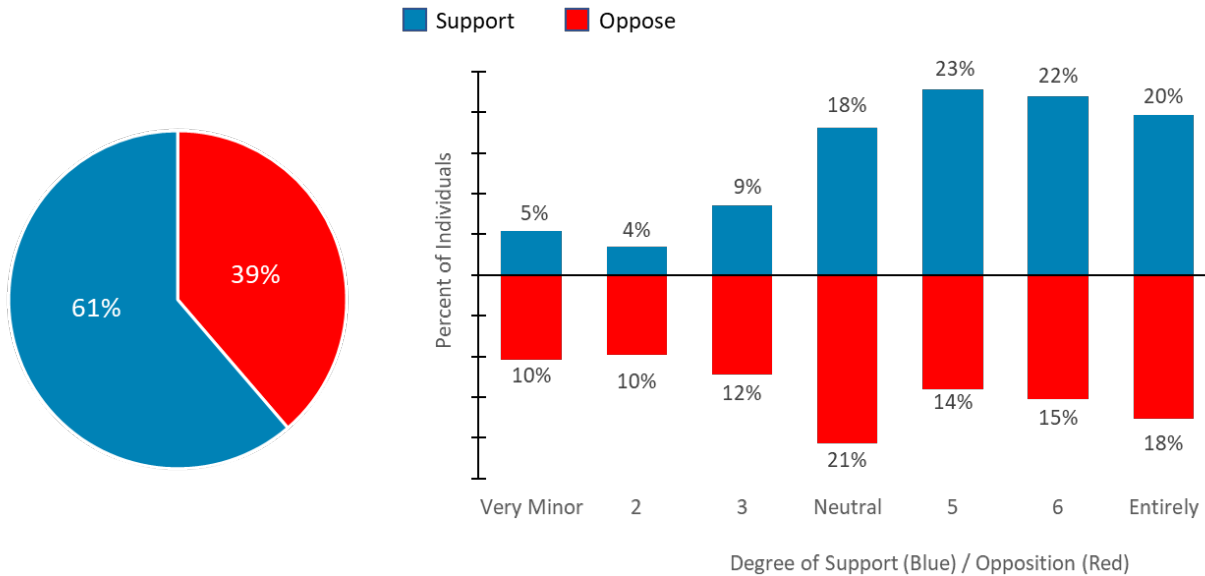
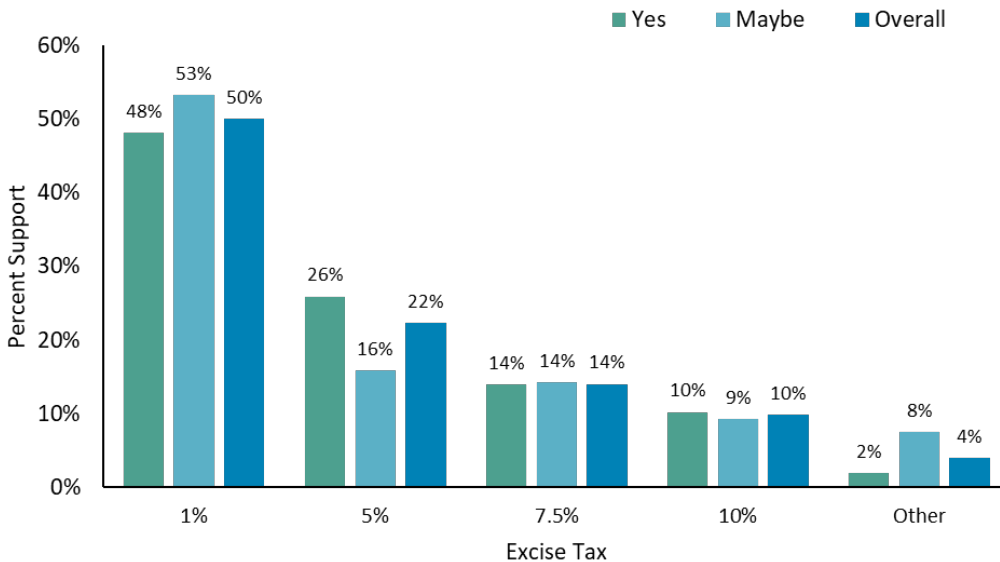


Figure 16. Excise tax preferred by general public respondents who supported this funding option.



Stakeholder Feedback: Overall, 38% supported dedicating a portion of the GRT on outdoor gear. The degree of support was strong, as 82% checked either 5, 6 or 7 (entirely support). Of the 62% who

opposed this option, the degree was equally as strong as 84% checked either 5, 6 or 7 (entirely opposed). Overall, 44% supported a 1% excise tax and 32% supported a 5% rate.

Excise Tax on Wildlife Feed

Description: A new tax on wildlife feed would generate dedicated revenue for NMDGF.

A dedicated gross receipts tax was evaluated by the Share with Wildlife program in 2015. In that report, they estimated that a 1% tax on bird feed/feeders, bird baths, field guides and other nature-related products would generate approximately \$410,000 annually. We used ArcGIS Business Analyst, the 2013 study²⁵ referenced in the previous report, and a 2015 update²⁶ to generate an estimate on the revenue potential of a 1% tax on these items. The estimate is based on 330,000 households spending approximately \$100 each on bird feeding expenses.

Annual revenue potential: \$350,000 for every 1% increase in GRT

General Public Feedback: Overall, 60% supported an excise tax on wildlife feed. Among supporters, 58% checked either 5, 6 or 7 (entirely support). Of the 40% who opposed this option, the degree of opposition was nearly the same as 52% checked either 5, 6 or 7 (entirely oppose) (Figure 17). Overall, most respondents (54%) supported a 1% excise tax (Figure 18). For the 2% who indicated a different percentage, they noted values between 0% and 3%.

²⁵ [USA & Canada wild bird feeding industry benchmark research, 2013](#)

²⁶ [USA & Canada wild bird feeding industry yearly research, 2015](#)

Figure 17. General public support for an excise tax on wildlife feed (left) and histogram of support versus opposition (right).

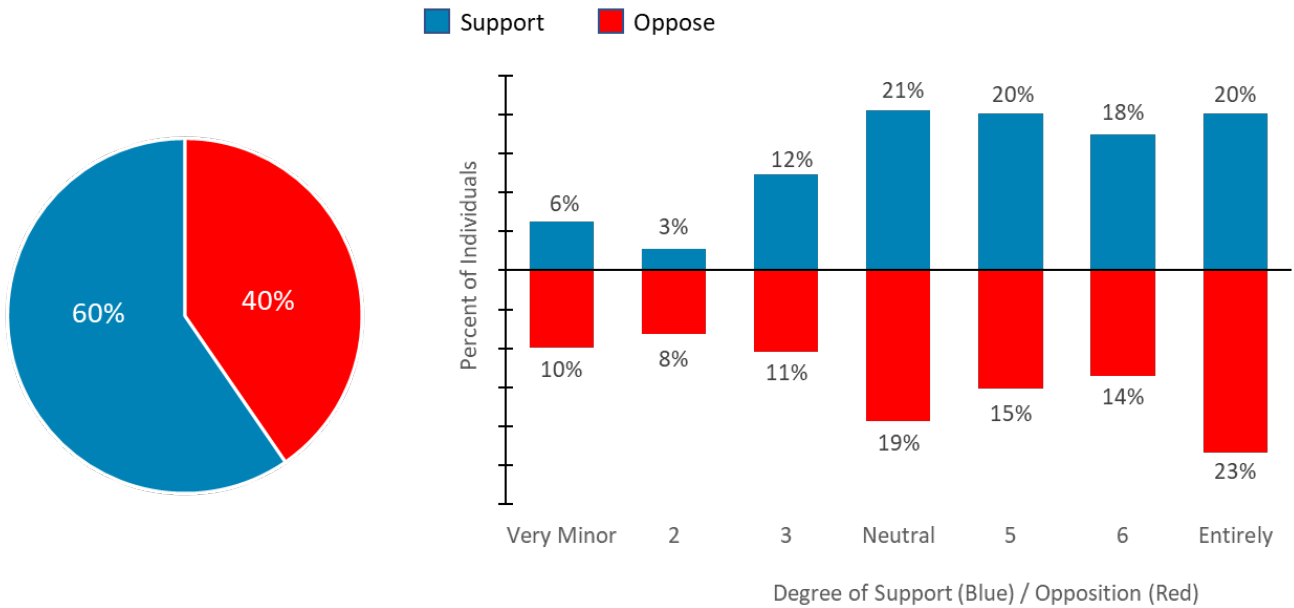
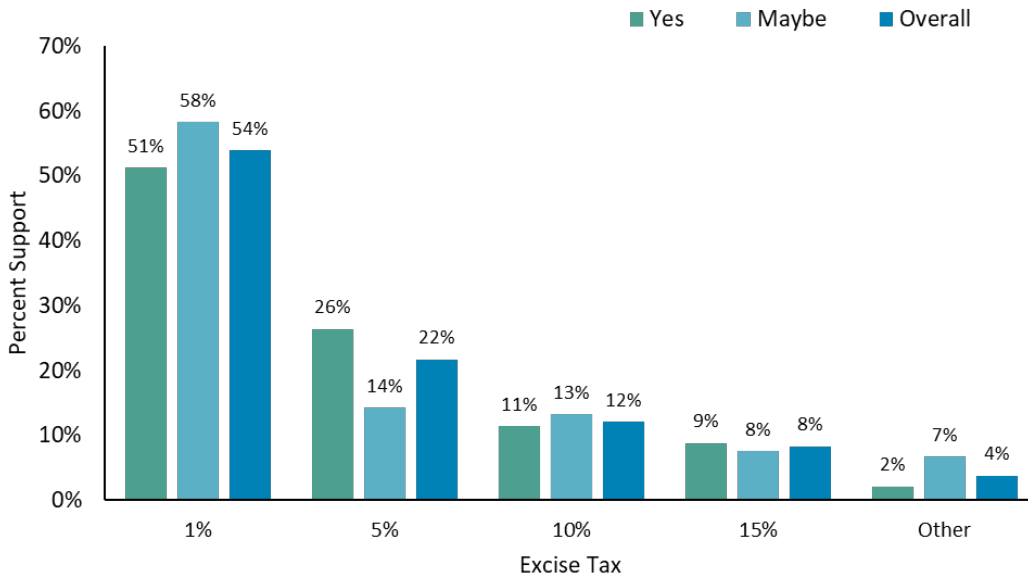


Figure 18. Excise tax on wildlife feed preferred by general public respondents who supported this funding option.



Stakeholder Feedback: Overall, 41% supported an excise tax on wildlife feed. The degree of support was strong, as 81% checked either 5, 6 or 7 (entirely support). Of the 62% who opposed this option, the degree was equally as strong as 76% checked either 5, 6 or 7 (entirely opposed). Overall, 42% supported a 1% excise tax and 26% each supported a 5% or 10% rate.

Gross Receipt Tax (GRT) Increase

Description: An increase in the statewide gross receipt tax (typically 1/8 of 1%) that would be dedicated to NMDGF. Due to the extended range of sectors covered by New Mexico’s GRT, we evaluated a range of options from 1/64th to 1/8th of 1%, which still represents a significant funding potential for the agency.

Annual revenue potential: Based on the 2019 taxable gross receipts from New Mexico of \$81.96 billion, a 1/64th of 1% increase in the GRT from 6.95% to 7.02% would generate approximately \$12.25 million per year to be earmarked for NMDGF. At the upper level of 1/8th of 1%, an estimated \$102 million would be generated annually.

General Public Feedback: Overall, 56% supported a GRT increase. Among supporters, slightly more than half (54%) checked 5, 6 or 7 (entirely support). Of the 44% who opposed a GRT increase, a majority (59%) checked 5, 6 or 7 (entirely oppose), with 37% of those respondents indicated entire opposition (Figure 19). Among supporters, half (51%) supported the smallest (1/64th of 1%) GRT increase (Figure 20); however, that amount would satisfy NMDGF’s RAWA funding needs.

Figure 19. General public support for increasing the GRT (left) and histogram of support versus opposition (right).

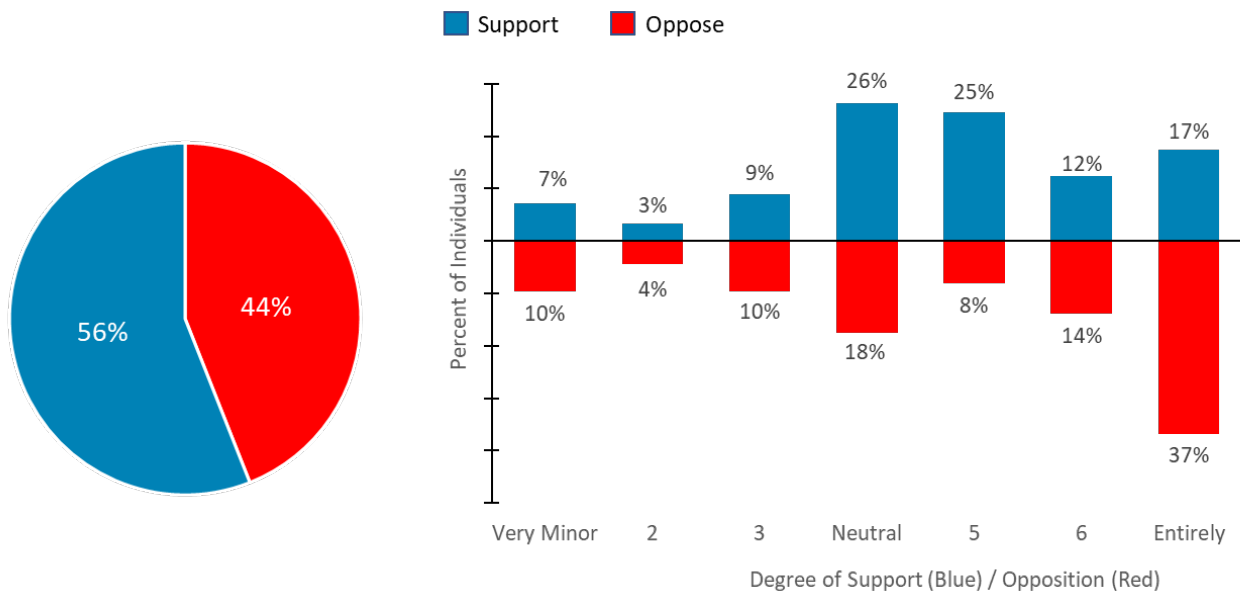
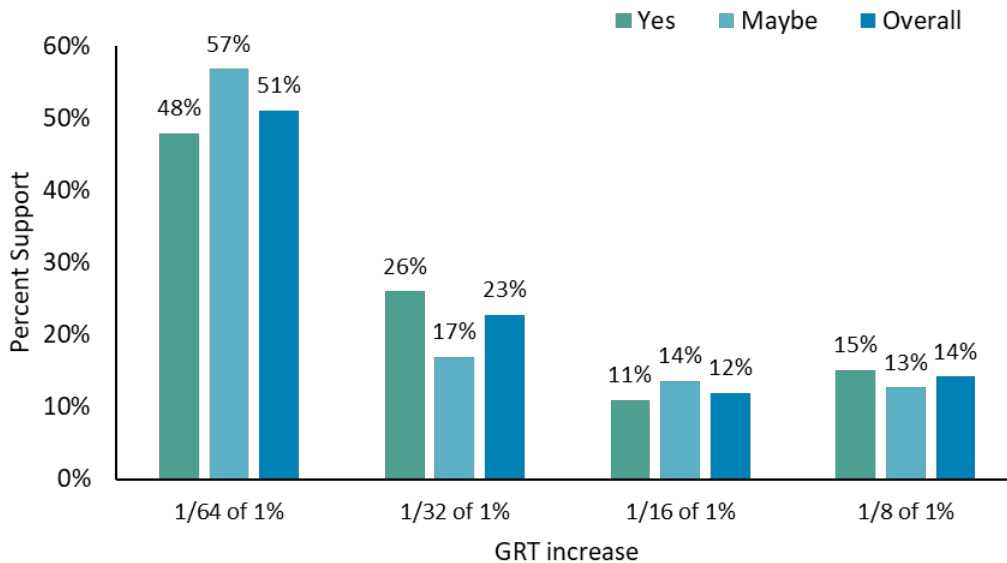


Figure 20. Percent tax increase preferred by individuals who supported a GRT increase.



Stakeholder Feedback: Only 42% supported a GRT increase. The degree of support was moderate, as 64% checked either 5, 6 or 7 (entirely support). Of the 62% who opposed this option, the degree was very strong, as 75% were entirely opposed to this option. Overall, respondents most often (61%) supported a 1/64th of 1% increase.

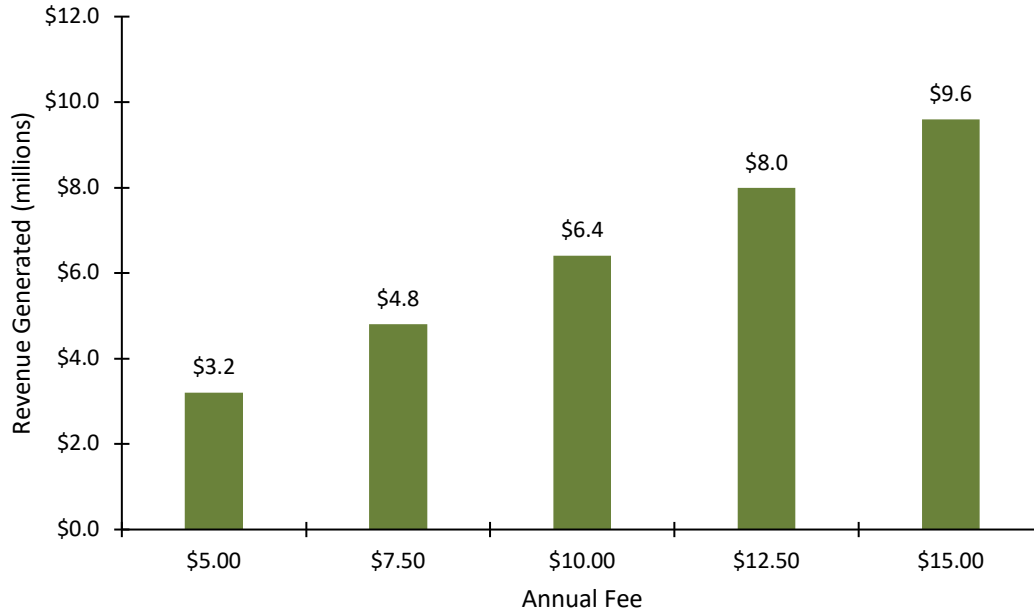
Vehicle Registration Fee

Description: A fee assigned at vehicle registration would support RAWA reimbursement. Two potential options exist: 1) All registered passenger vehicles, and 2) Off-highway vehicles.

All Passenger Vehicles. Annual vehicle registration fees are relatively inexpensive, as compared to other states. In all cases, fees are based on the weight and model year of the vehicle. Passenger vehicles fees range from \$27 - \$62 for a one-year registration or \$54 - \$124 for a two-year registration. For trucks under 26,000 GVWR, the fees range from \$38 - \$207 for a one-year registration or \$76 - \$414 for a two-year registration.

Annual revenue potential: Based on 2019 data (most recent), 641,838 vehicles were registered in New Mexico. The lower (\$5) and upper bounds (\$15) of a 'conservation registration fee' ranges between \$3.2 and \$9.6 million dollars (Figure 21).

Figure 21. Potential revenue (in million dollars) based on 640,000 registered vehicles.



General Public Feedback: Overall, 45% supported a vehicle registration fee. Among supporters, 59% checked either 5, 6 or 7 (entirely support). Of the 45% who supported this option, most (57%) supported a \$5 fee (Figure 24). For the 10% who indicated a different percentage, most expressed a desire for no fee. Of the 55% who opposed this option, the degree of opposition was strong in that 66% checked 5, 6 or 7 (entirely opposed) and 43% of those individuals were entirely opposed to this option (Figure 22).

Figure 22. General public support for a vehicle registration fee (left) and histogram of support versus opposition (right).

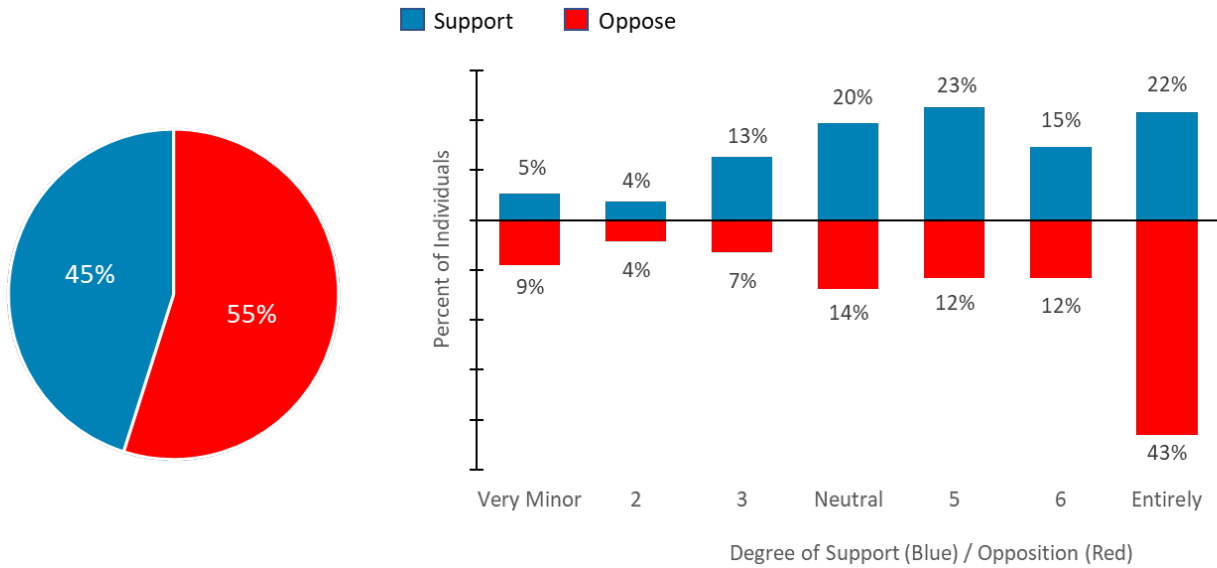
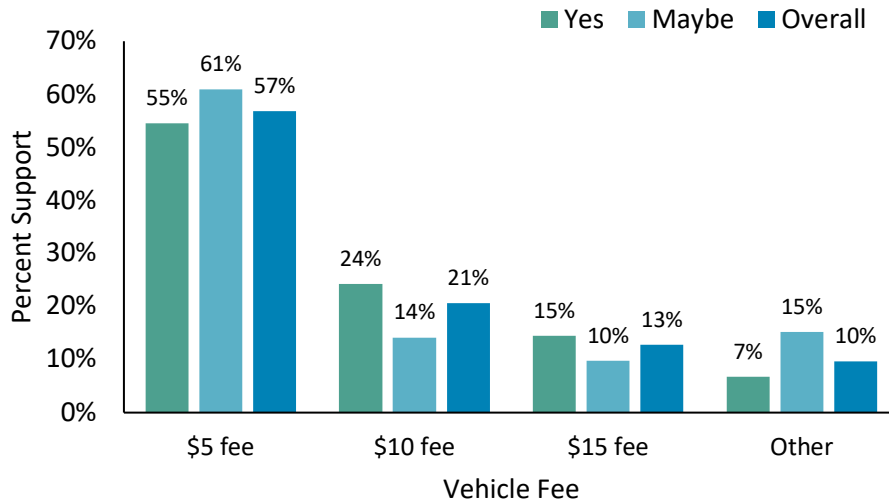


Figure 23. Amount of increase preferred by individuals who supported a vehicle registration fee.



Stakeholder Feedback: Overall, 27% supported a vehicle registration fee. The degree of support was moderate, as 75% checked either 5, 6 or 7 (entirely support). Of the 73% who opposed this option, the degree was very strong, as 86% were entirely opposed to this option. Of supporters, they most often (46%) supported a \$5 fee.

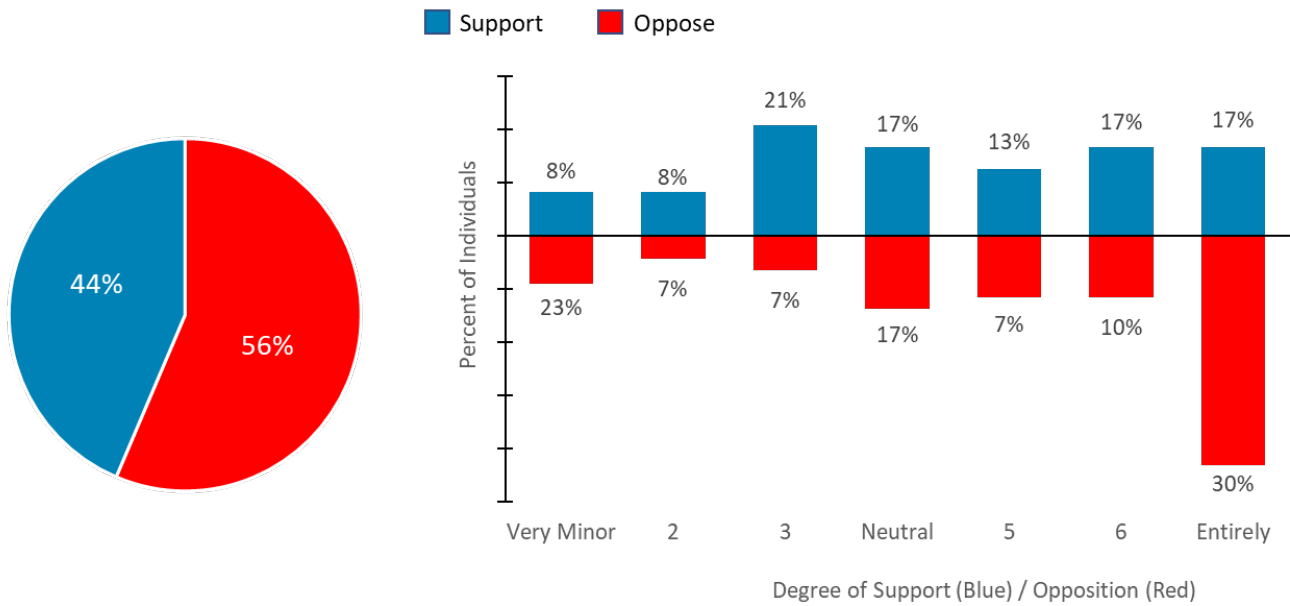
Off-Highway Vehicles. There are <25,000 resident and 3,000 non-resident registrations annually. In 2020, the program generated \$1.34M in registration fees and \$6.2M overall. This is higher than 2019, were \$1.1M and \$3.8M in registration and total fees, respectively. The 2019 fees more closely align with amounts back to 2017 are likely a reflection of a 'COVID' bump in OHV sales and registrations. The addition of all off-road vehicles could represent an expansion in funding opportunity. From the 2016 Southwick report, up to 500,000 individuals participate in some sort of motorized off-road travel (e.g., OHV, off-road passenger vehicles, motorcycles).

Annual revenue potential: If constrained to currently registered OHVs, \$125,000 (\$5 fee) to \$500,000 (\$20 fee) could be generated annually. If expanded to all off-road enthusiasts, the estimates range from \$2.5 to \$10 million dollars annually.

*Note – This specific question was inadvertently omitted from the survey. Consequently, we report respondents who were OHV users and supported increased funding for RAWA reimbursements (n = 55).

General Public Feedback: Among OHV users (n = 55), 44% supported a vehicle registration fee, which is nearly identical to all respondents (45%). Degree of support was not strong as less than half (46%) checked 5, 6 or 7 (entirely support). Of the 44% who supported this option, most (57%) supported a \$5 fee (Figure 24). For the 10% who indicated a different percentage, most expressed a desire for no fee. Of the 56% who opposed this option, overall opposition was similar to supporters (47%); however, most of those individuals were entirely opposed to this fee.

Figure 24. General public support among OHV users for a vehicle registration fee.



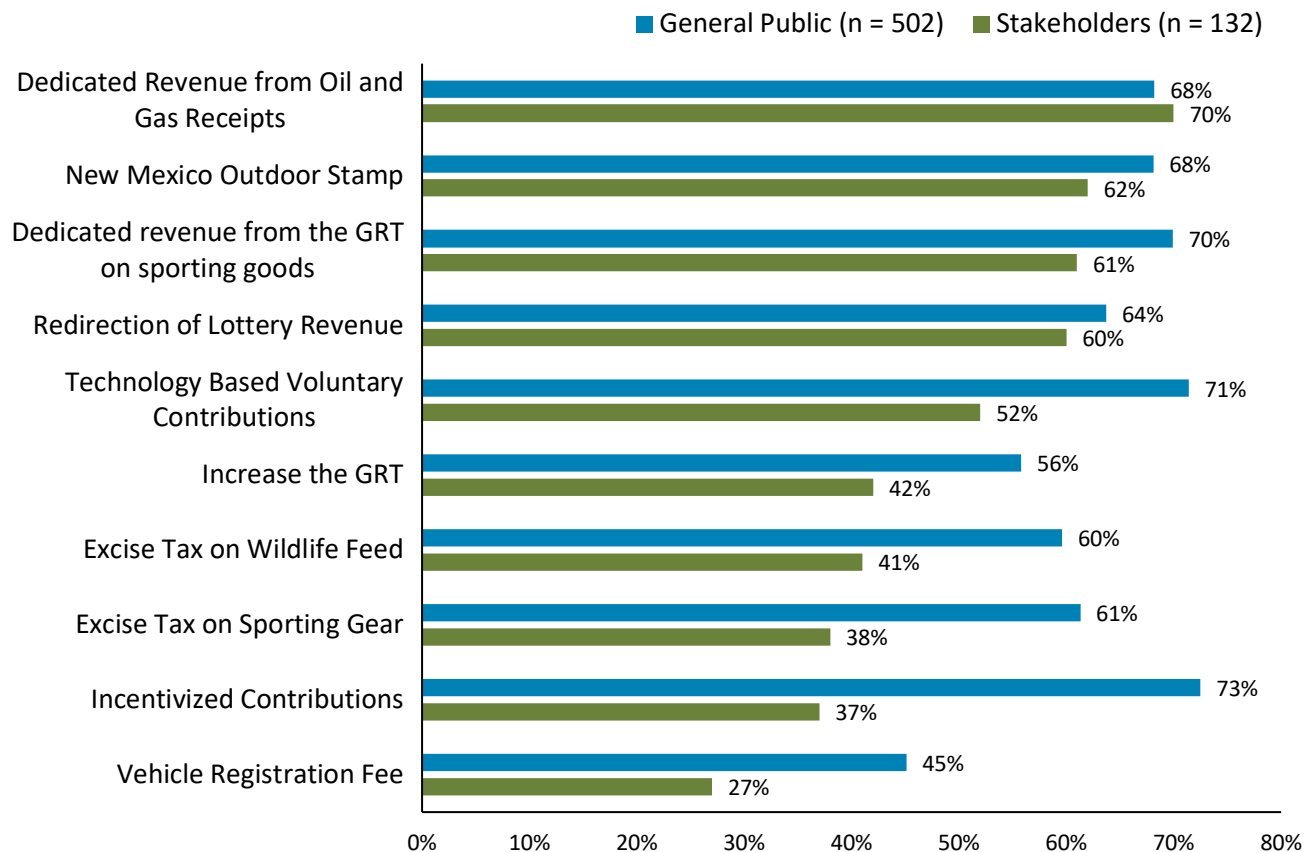
Stakeholder Feedback: Among OHV users (n = 74), 28% supported a vehicle registration fee, which is nearly identical to all respondents (27%). Degree of support among was high as 87% checked either 5, 6 or 7 (entirely support). However, of the 62% who opposed this option, nearly all (94%) checked either 5, 6 or 7 and of those, 77% were entirely opposed to this option.

Summary

Of the 10 options evaluated, only a vehicle registration fee was supported by fewer than 50% of general public respondents. Conversely, stakeholders noted less than 50% support for half of the options.

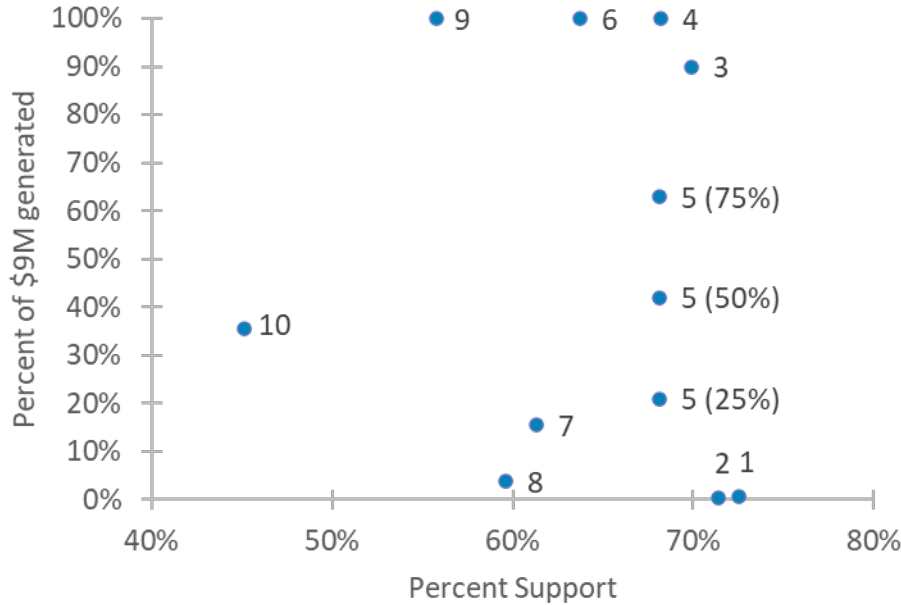
In some cases, support and opposition was similar for both groups. For example, support for redirecting oil and gas receipts, a New Mexico outdoor stamp and redirecting a portion of lottery revenues were similarly high. For both groups, a vehicle registration fee ranked lowest overall. The larger differences were incentivized contributions and technology-based contributions, which were supported by the general public at much higher rates (Figure 25). Of note, the two highest supported options among the general public would ultimately generate the least revenue.

Figure 25. Percent general public and NMDGF stakeholder support for 10 funding options.



Consequently, the NMDGF has a variety of options they can pursue to generate revenue sufficient to match RAWA funds, if needed (Figure 26). For the table below, the estimated revenue reflects the highest supported alternative as noted by the general public. For example, most people (54%) supported a 1% excise tax on wildlife feed; thus, 1% was used in the calculation.

Figure 26. General public support for a funding option by percent of \$9 million dollars generated for RAWA reimbursements. Plot numbers correspond to table ranks below the graph.



Rank	Percent Support	Option	Estimated Revenue
1	72.5%	Incentivized Contributions	\$50,000
2	71.4%	Technology Based Voluntary Contributions	\$25,000
3	69.9%	Dedicated revenue from the GRT on outdoor gear (70%)	\$8,100,000
4	68.2%	Dedicated Revenue from Oil and Gas Receipts	\$9,000,000
5	68.1%	New Mexico Outdoor Stamp (25% compliance)	\$1,890,423
5	68.1%	New Mexico Outdoor Stamp (50% compliance)	\$3,780,845
5	68.1%	New Mexico Outdoor Stamp (75% compliance)	\$5,671,268
6	63.7%	Redirection of Lottery Revenue	\$9,000,000
7	61.3%	Excise Tax on Sporting Gear (1%)	\$1,400,000
8	59.6%	Excise Tax on Wildlife Feed (1%)	\$350,000
9	55.8%	Increase the GRT (1/64 of 1%)	\$12,250,000
10	45.1%	Vehicle Registration Fee (\$5)	\$3,200,000