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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/09  
 LAST UPDATED 03/09/12    HB 366/aHAFC

SPONSOR Egolf

SHORT TITLE Create Literary Acquisition Fund    SB \_\_\_\_\_

ANALYST Varela

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$500.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)  
 Department of Finance and Administration (DFA)  
 State Treasurer's Office (STO)

### SUMMARY

#### Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment removes the appropriation from the Act and removes Section 2 from the original bill which includes the appropriation language.

#### Synopsis of Bill

House Bill 366 appropriates \$500 thousand from the general fund to the Department of Cultural Affairs (DCA) for the purpose of creating a literary acquisition fund to be administered by the department. The bill provides for appropriations, gifts, grants, and donations to acquire literary and historical documents of novelists, poets, playwrights, scriptwriters, historians, and other writers of works related to New Mexico and the southwest.

### FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

Continuing Appropriations language

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

**SIGNIFICANT ISSUES**

DCA reports that House Bill 366 provides for the preservation and access to New Mexico's cultural and literary heritage for the people of New Mexico. Passage of this bill would help limit the number of significant New Mexico literary & cultural history-related collections from being purchased by out-of-state interests (such as historian and writer Mark Simmons's papers to San Marcos State University in Texas).

According to DCA, this bill does not specify the archival repository for collections purchased with the proposed Literary Acquisitions Fund; however, it is understood that this fund would primarily serve the collections of the Fray Angelico Chavez History Library of the New Mexico History Museum/Palace of the Governors.

**TECHNICAL ISSUES**

Purchases from the fund are subject to the approval of the secretary of DCA and the board of regents of the museum of New Mexico.

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

According to DCA, papers and collections important to New Mexico might be sold to out-of-state individuals or institutions, or may otherwise land in private hands and be unavailable to the people of New Mexico.

**AMENDMENTS**

The sponsor may wish to consider removing the following statement from page 1, lines 19-20: "and the money is appropriated to the department."

PV/svb:mc