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## FISCAL IMPACT REPORT

SPONSOR Rue ORIGINAL DATE 2/11/09  
LAST UPDATED 2/27/09 HB \_\_\_\_\_  
SHORT TITLE Budget Review Act SB 157/aSPAC  
ANALYST Fernandez

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

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0.1				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of SPAC amendment

The Senate Public Affairs Committee Amendment revises the requirement for an appropriation or revenue bill to be held prior to moving to the floor or another committee from 72 hours to 24 hours.

#### Synopsis of Original Bill

Senate Bill 157 enacts the "Budget Review Act". The Budget Review Act requires appropriation or revenue bills to be held for a period of 72 hours following adoption of a committee report and prior to moving to the floor or another committee. Senate Bill 157 also requires amendments to an appropriation or revenue bill shall not be considered for adoption unless made available to legislators or the public 24 hours prior to any vote. The purpose of the Budget Review Act is for legislators and the public to have adequate time to review and consider the content of the bills. The bill also provides for a waiver of the time period that appropriation or revenue bills are to be held.

### FISCAL IMPLICATIONS

The fiscal implications cannot be determined at this time.

### SIGNIFICANT ISSUES

Joint Rule (9-1) sets forth the schedule for enactment of any general appropriation bill.

During a sixty-day session, Joint Rule (9-1) requires the general appropriation bill to have received third and final passage in the house of origin no later than the thirty-fifth calendar day of the session. The second house shall have given the bill its third and final passage by the fiftieth calendar day and transmitted to the governor shall be by the fifty-fourth calendar day of the session.

In the thirty-day regular session, the general appropriation bill shall have received third reading and final passage in the house of origin no later than the sixteenth calendar day of the session. The second house shall have given the bill its third reading and final passage by the twenty-first calendar day of the session.

Article 4, Section 5 of the constitution of New Mexico limits what the Legislature may consider during a thirty-day session. The first priority during a thirty-day session for consideration by the Legislature is legislation dealing with budgets, appropriations and revenue bills. The Budget Review Act would seriously hamper the ability of the Legislature to fulfill its constitutional responsibility of passing a state budget during a thirty-day session.

Delaying passage of the General Appropriation Act during a thirty or sixty-day session would seriously hamper the Legislature's ability to send the appropriation bill to the governor with sufficient time left in the session for the legislature to take additional action if necessary.

The schedule currently followed by the House Appropriations and Finance Committee when developing the annual General Appropriation Act during a sixty and thirty-day session is based on Joint Rule (9-1) and allows for sufficient time for the Legislature to send a bill to the governor with sufficient time left in the session for the Legislature to take additional action if necessary.

Senate Bill 157 bill allows for a waiver of the required time periods for holding bills or amendments. Bills adopted with the exemption must have a two-thirds vote of the full membership of the house or committee considering the appropriation or revenue bill.

## **ADMINISTRATIVE IMPLICATIONS**

It is important to note that the preparation of a General Appropriation Act typically takes LFC staff approximately 48 hours to produce. Senate Bill 157 would also impact the ability of staff to prepare a General Appropriation Act in a timely manner.

## **CONFLICT**

Senate Bill 157 conflicts with Joint Rule (9-1) and (3-1).

Joint Rule (9-1) sets forth the schedule for enactment of any general appropriation bill.

Joint Rule (3-1) sets forth rules followed by Conference Committees. A Conference Committee report is not subject to amendment in either house.

Senate Bill 157 may also conflict with Article 4, Section 5 of the constitution of New Mexico.

**OTHER SUBSTANTIVE ISSUES**

The current process of development of a General Appropriation Act (state’s budget) is open to the public and legislators. The process begins with budget development by the Executive and Legislative Finance Committee. Both recommendations are posted on the respective websites in January of each year. The recommendations contain the previous fiscal year spending, current year appropriations and the future year proposed estimate of revenues and expenditures. In addition, both recommendations are introduced as separate bills during the first few days of the Legislative session and posted on the legislative website immediately. The General Appropriation Act typically originates in the House of Representatives where House Appropriations and Finance Committee holds public hearings and invites testimony from the various state agencies, advocacy groups and the general public prior to taking action. This process takes several weeks from the point in time when House Bill 2 or the “General Appropriation Act” is first introduced. Simultaneously, the Senate Finance Committee conducts hearings on select agency budgets and also invites public input.

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

The Legislature will continue to follow Joint Rule 9-1.

CTF/mt