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FISCAL IMPACT REPORT

		ORIGINAL DATE	01/23/15		
SPONSOR	Trujillo, CH	LAST UPDATED	01/30/15	HB	83

SHORT TITLELand Grant Fund Deposits & ExpendituresSB

ANALYST Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u> Department of Finance and Administration (DFA) Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 83, for the Land Grant Committee, amends three sections of the statute governing land grants generally and the Chilili Land Grant-Merced specifically, to:

- Allow treasurers of land grant boards of trustees to deposit land grant funds in credit unions (current law limits deposits to banks); and
- Require every expenditure of land grant funds be approved by a majority of the board of trustees, is in the form of a written check or in another form that the date, amount and payee are automatically recorded, and the payment is supported by an invoice or receipt.

The effective date of this bill is July 1, 2015.

FISCAL IMPLICATIONS

Responding agencies report no fiscal impact to the state.

SIGNIFICANT ISSUES

Each board of trustees for a land grant-merced must comply with the Open Meetings Act. Under this bill, each and every expenditure of land grant funds would have to be approved in a properly

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noticed open public meeting. Because there is no threshold amount below which board approval is not needed, there may be some delays or other practical difficulties encountered in making small expenditures.

PERFORMANCE IMPLICATIONS

Under existing law, land grant-merced fund expenditures need to be in compliance with the Procurement Code and state purchasing regulations.

MD/aml/je/bb