

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/13

SPONSOR SPAC LAST UPDATED _____ HB _____

SHORT TITLE Public Peace, Health, Safety & Welfare SB 604/SPACS

ANALYST Soderquist

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal	Minimal	Minimal	Minimal	Nonrecurring	General Fund Other State Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Judiciary Committee Substitute for House Bill 637

SOURCES OF INFORMATION

LFC Files

Responses Received From

Cultural Affairs Department (DCA)

SUMMARY

Synopsis of Bill

The Senate Public Affairs Committee (SPAC) substitute for Senate Bill 604 provides for the governing board of the National Hispanic Cultural Center (NHCC) effective July 1, 2013 to have an operating agreement with a nonprofit organization. The nonprofit may nominate two of its board to the governor for appoint to one-year terms on the NHCC board. The bill deletes the provision on initial appointees. A person who concurrently is a member of the NHCC board and the nonprofit shall not vote on matters relating to the operating agreement.

FISCAL IMPLICATIONS

This bill will have minimal impact on the NHCC operating budget.

SIGNIFICANT ISSUES

The response from the Cultural Affairs Department (DCA) states the proposed legislation may

increase communication and consensus formation on common goals between the NHCC and a non-profit organization (foundation) with which an operating agreement exists. The department references a similar relationship that currently exists between the New Mexico Natural History and Science Museum's (NMNHSM) Board and its foundation.

However, it could also be argued that the proposed legislation creates a conflict of interest between a foundation and the NHCC Board, where the NHCC Board may have less flexibility in pursuing a specific policy because a financial relationship with a “non-profit organization” prevents it from doing so. Although it is assumed that the non-profit organization referred to in the legislation is the National Hispanic Cultural Center Foundation – which shares the goals of NHCC – this does not necessarily preclude another non-profit organization from asserting its influence on the NHCC, perhaps in ways neither anticipated nor desired by the NHCC Board.

DUPLICATION

The Senate Public Affairs Committee substitute for Senate Bill 604 is identical to the House Judiciary Committee substitute for House Bill 637.

RS:blm