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### **FISCAL IMPACT REPORT**

SPONSOR:	Thompson	DATE TYPED:	01/26/00	HB	194
SHORT TITLE:	Except Disaster Funds From 10 Day Abeyance			SB	
				ANALYST:	Burch

### **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### **SOURCES OF INFORMATION**

LFC files

Energy, Minerals and Natural Resources Department

Department of Military Affairs

Office of Cultural Affairs

Department of Game and Fish

## **SUMMARY**

### Synopsis of Bill

The bill amends Section 6-3-25 NMSA 1978, relating to procedures for adjusting budgets, to except disaster assistance funds and emergency response funds from the 10-day waiting period currently required by law. Budget adjustments from federal funds are currently exempt from the waiting period.

### Significant Issues

The 10-day waiting period allows LFC time to review the budget adjustments; the LFC may object to a budget adjustment within 10 days of receipt of the budget adjustment request.

The provision would prevent emergency response agencies from creating financial obligations prior to the funds being available. Agencies that receive funds pursuant to emergency disaster declarations include the Energy, Minerals and Natural Resources Department, Department of Military Affairs and Department of Public Safety.

## **TECHNICAL ISSUES**

The bill does not provide a definition of the terms "disaster assistance funds" or "emergency response funds". Sections 6-7-1 through 6-7-3 NMSA 1978 provide for emergency declaration of disasters by executive order and for funding to respond to such emergencies. Whether or not it is intended that "disaster assistance funds" means those funds appropriated for emergencies declared by executive order or if the phrase means other funds, then perhaps Section 6-3-25 NMSA 1978 should say so. Also, a fund entitled "emergency

response fund" was eliminated by Laws 1991, Chapter 44; therefore, perhaps "emergency response funds" should also be defined.

Two similar bills (House Bill 538 and House Bill 539) were introduced in the 1999 regular legislative session. House Bill 538 defined "emergency or disaster event"; however, House Bill 539 did not.

### **OTHER SUBSTANTIVE ISSUES**

The State Budget Division and LFC have established a process for waiving the 10 day waiting period in the case of an emergency. In no case has LFC not approved a budget adjustment waiver in the case of an emergency or a disaster declaration pursuant to executive order.

DKB/njw:gm