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FISCAL IMPACT REPORT



SPONSOR: Varela DATE TYPED: 02/12/02 HB 375

SHORT TITLE: NM Health Trust Fund SB _____

ANALYST: Wilson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$0.1	Indeterminate	Recurring	New Fund-Health Care Trust Fund

SOURCES OF INFORMATION

Department of Health (DOH)

No Response

Public Regulatory Commission (PRC)

Attorney General's Office

SUMMARY

Synopsis of Bill

House Bill 375 creates a Health Care Trust Fund in the state treasury. The Fund will consist of money transferred or conveyed to the fund from the dissolution of foreign and domestic corporations holding assets that must be used for charitable, religious, eleemosynary, benevolent, educational, or similar purposes and that must be donated for similar purposes to nonprofit organizations. The Health Care Trust Fund will be eligible, along with other New Mexico organizations, to receive such proceeds from the liquidation of the assets of a dissolved corporation. Additional funds might include gifts, bequests and grants that would be subject to appropriation by the legislature to benefit the health care of New Mexico residents. HB 375 also requires that funds based on New Mexico assets given from a dissolving organization to another organization must be used in New Mexico.

HB 375 authorizes the legislature to appropriate money from the fund to benefit health care of New Mexico residents. Earnings of the Health Care Trust Fund will be credited to the Fund and balances will not revert or be transferred to any other fund.

Significant Issues

Currently, the decision as to whom a corporation may donate liquidated assets to remains with the original organization. HB 375 creates an additional potential recipient, the Health Care Trust Fund, into which assets received and held by a corporation subject to limitations permitting their use, but not held upon a condition requiring return, would be transferred or conveyed. HB 375 also allows for assets received by foreign corporations to be transferred to the Health Care Trust Fund or to one or more nonprofit domestic corporations, nonprofit societies or nonprofit organizations engaged in activities similar to the withdrawing corporation.

FISCAL IMPLICATIONS

The creation of the Health Care Trust Fund from the dissolution of corporate assets would serve as an additional funding source for health care services for New Mexico.

OTHER SUBSTANTIVE ISSUES

The State can already accept donations to a number of funds: for example, the Fund for the Handicapped, the Crime Victims Reparation Fund and the Share with Wildlife Fund. Under current law a new organization can be formed to oversee the use of the liquidated assets; however, that is not under the direct control of the Legislature.

DW/ar