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## FISCAL IMPACT REPORT

SPONSOR: Madalena DATE TYPED: 02/21/03 HB 523

SHORT TITLE: State Fund Deposits by OCA SB \_\_\_\_\_

ANALYST: Gonzales

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of Cultural Affairs, State Monuments Division  
Department of Finance and Administration

### SUMMARY

#### Synopsis of Bill

House Bill 523 amends Section 6-10-3 NMSA 1978, which provides that all public money in the custody of any state official or agency be deposited within 24 hours of receipt, to allow the state monuments of the Museum Division of the Office of Cultural Affairs to be included as an exception to the 24 hour deposit rule and allow State Monuments to make deposits to the State Treasurer's office no later than 10 days following collection.

#### Significant Issues

Some state monuments have not been meeting the requirement to deposit receipts "...before the close of the next succeeding business day after the receipt of the money...". The discrepancy has not been noted in past financial audits. Section 6-10-3 NMSA 1978 allows State Parks 10 days before deposits.

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Given state monuments' minimal staffing and mostly remote locations, the LFC performance audit of OCA of September 24, 2002, did recognize this problem and indicated that an exemption from the 24 hour rule for State Monuments is warranted. However, the audit recommended that the legislation should grant "the state treasurer, in consultation with the state controller and the LFC, to grant exemptions of up to 10 days for agencies that demonstrate a hardship meeting the statutory requirement." This recommendation is different from House Bill 523 in that it would remove the exemptions from statute and establish a process through which exemptions could be granted. Since no such bill has been introduced, House Bill 523 is an appropriate substitute that corrects the finding outlined in the audit.

### **ADMINISTRATIVE IMPLICATIONS**

The exemption provided for in this legislation would have positive and more efficient implications for managing the operations of the monuments located in rural areas of the state.

### **OTHER SUBSTANTIVE ISSUES**

The Department of Finance and Administration analysis of this bill did not note issues with this legislation.

**JMG/njw**