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FISCAL IMPACT REPORT

SPONSOR Irwin DATE TYPED 1/24/05 HB 59/aHAFC

SHORT TITLE New Mexico Coin Commission SB _____

ANALYST Hadwiger

APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Cultural Affairs Department

SUMMARY

Synopsis of HAFC Amendment

The HAFC amendment strikes the appropriation.

Synopsis of Original Bill

House Bill 59 would create a New Mexico Coin Commission to assist the governor in selecting the designs to be submitted to the U.S. Mint for the New Mexico state quarter for the 50 State Quarters Program. The commission would consist of seven members, appointed by the governor, taking into account the geographic distribution of the members. The members would serve at the pleasure of the governor. The commission would function until the U.S. Mint has selected its design for the New Mexico quarter but no later than July 1, 2008. Members would receive mileage and per diem but no other compensation. The Cultural Affairs Department would provide staff support for the commission. The commission would solicit design proposals for the New Mexico quarter and submit three to five designs to the Governor. The Governor would submit the approved designs to the U.S. Mint along with material explaining the designs and

why they are representative of the state.

House Bill 59 appropriates \$60 thousand from the general fund to the Cultural Affairs Department in FY06 through FY08 to pay costs associated with the commission.

Significant Issues

The U.S. Mint's 50 State Quarters Program will issue the New Mexico state quarter in 2008. The program issues five state quarters per year, in the order in which the states were admitted to the Union. New Mexico, as the 47th state, will be among the last of the coins issued. This bill represents the executive proposal for providing public input into the process whereby the final design of the quarter will be selected.

The federal regulations do not require creation of a commission for this purpose. DCA notes that a commission would help assure statewide representation as design concepts are studied and selected.

FISCAL IMPLICATIONS

The General Appropriation Act currently includes \$60,000 to support the Coin Commission in fiscal years 2006 through 2008.

ADMINISTRATIVE ISSUES

DCA indicates existing staff will be sufficient to support the proposed commission.

TECHNICAL ISSUES

The U.S. Mint regulations are attached. The proposed bill does not appear to conform to these regulations. According to the regulations, "The state will provide to the United States Mint at least three, but no more than five, different concepts or themes emblematic of the state; each concept or theme will be in narrative format. The narrative must explain why the concept is emblematic of the state and what the concept represents to the state's citizens. A narrative that merely describes a particular design is not acceptable. Based on the narratives, the United States Mint will produce original artwork of the concepts, focusing on aesthetic beauty, historical accuracy, appropriateness and coinability." The actual designs for the coin will be prepared by the Mint. The DCA comments concur with this interpretation of the regulations. HB59, by contrast, would require the commission to select designs. To be consistent with the federal program, the bill should be amended to require the commission to select and submit design concepts.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

According to DCA, the governor and/or his/her staff would develop and oversee the design process for the New Mexico state quarter without the assistance and guidance of an appointed commission.

DH/lg/rs
Attachment

The Evaluation Process

The United States Mint has revised the 50 State Quarters® Program Design Evaluation Process. These revisions will enhance the program's educational value and promote the historical accuracy and artistic beauty of the designs. The changes were approved by U.S. Treasury Secretary Snow on March 11, 2003, and will be implemented in the 2005 quarter design evaluation process.

50 State Quarters® Design Evaluation Process

- Stage 1 The United States Mint will initiate the formal state design process by contacting the state governor approximately 24 months prior to the beginning of the year in which the state will be honored. The governor, or such other state officials or group as the state may designate, will appoint an individual to serve as the state's liaison to the United States Mint for this program.
- Stage 2 The state will conduct a concept selection process as determined by the state. The state will provide to the United States Mint at least three, but no more than five, different concepts or themes emblematic of the state; each concept or theme will be in narrative format. The narrative must explain why the concept is emblematic of the state and what the concept represents to the state's citizens. A narrative that merely describes a particular design is not acceptable.
- Stage 3 Based on the narratives, the United States Mint will produce original artwork of the concepts, focusing on aesthetic beauty, historical accuracy, appropriateness and coinability. If the state has not provided at least three concepts, the United States Mint may produce additional concepts for the state.
- Stage 4 The United States Mint will contact the state to collaborate on the artwork. The state will appoint an historian, or other responsible officials or experts, to participate in this collaboration to ensure historical accuracy and proper state representation of the artwork. The United States Mint will refine the artwork before forwarding it to the advisory bodies.
- Stage 5 The Citizens Coinage Advisory Committee and the U.S. Commission of Fine Arts will review the candidate designs and make recommendations, and the United States Mint may make changes to address such recommendations.
- Stage 6 The United States Mint will present the candidate designs to the Secretary of the Treasury for review and approval.
- Stage 7 The United States Mint will return to the state all candidate designs approved by the Secretary of the Treasury.
- Stage 8 From among the designs approved by the Secretary, the state will recommend the final design through a process determined by the state, within a time frame specified by the United States Mint.
- Stage 9 The United States Mint will present the state's recommended design to the Secretary for final approval.