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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-10-06

SPONSOR Arnold-Jones LAST UPDATED \_\_\_\_\_ HB 647

SHORT TITLE Rural Library Development Fund SB \_\_\_\_\_

ANALYST Segura

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
\$2,000.0		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
\$2,000.0			Recurring	Rural Library Development Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### Responses Received From

Cultural Affairs Department (DCA)

### SUMMARY

House Bill 647 established a “Rural Library Development Fund” in the state treasury.

### FISCAL IMPLICATIONS

House Bill 647 appropriates \$2,000.0 from the general fund in fiscal year 2006 to the rural library development fund and is recurring. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

**SIGNIFICANT ISSUES**

House Bill 647 establishes a fund for rural library development, including expenses for library planning, and the purchase of library materials, equipment, and furniture. The Library division of DCA will promulgate rules on how the funds will be allocated and what development expenses qualify for funding.

**PERFORMANCE IMPLICATIONS**

According to DCA, the State Library measures its service to libraries in New Mexico. This program would significantly enhance service to small community and rural libraries.

**ADMINISTRATIVE IMPLICATIONS**

According to DCA, the Library division is not currently staffed to administer a new program. Allowing the addition of a “rural library development program coordinator” to the Library division’s full-time staff would assure the successful implementation of this program.

RS/mt