

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/06

SPONSOR Ingle LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Transfer Natural Resource Revenue Task Force SB 573

ANALYST Hoffmann

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$700.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates House Bill 443.  
Relates to Senate Bill 415/SFCS.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 473 amends Section 19-1A-2 NMSA 1978 to move the Natural Resources Revenue Recovery Task Force from the State Land Office to the New Mexico Department of Agriculture.

The bill appropriates \$700,000 from the general fund to the Board of Regents of New Mexico State University in two amounts for the following purposes:

1. \$200,000 for the Department of Agriculture to fund the operations of the Natural Resource Revenue Recover Task Force, and
2. \$500,000 to establish an economic, trade and policy analysis center administered by the Cooperative Extension Service in the College of Agriculture and Home Economics.

The bill amends Section 19-1A-3 NMSA 1978 to delay the termination of the Natural Resource Revenue Task until July 1, 2009.

The task force will be composed of nine members who are appointed by the legislature (4), the governor (3) and the commissioner of public lands (3). The appointees must meet certain qualifications for geographic representation and knowledge of agricultural, forest, or extractive industries and water issues. The staff for the task force shall be provided by the New Mexico Department of Agriculture.

The task force shall:

- 1) review and analyze the historical and current differences between the prices received by agricultural producers and the prices paid by consumers;
- 2) gather and compile information on the impact of the federal laws that affect agriculture and extraction industries, specifically the Agriculture Adjustment Act and the National Industrial Recovery Act as originally enacted;
- 3) evaluate the United States Congress's original objectives to stabilize commodity prices and rural income, manage public lands for multiple use, preserve grazing and water rights, and foster timber harvests compared to the laws' outcomes;
- 4) assess the relationship of these laws with the Treaty of Guadalupe Hidalgo, Kearny's Code and the preservation of New Mexico's private property rights contained in the United States Constitution;
- 5) define the economic impact of the Agriculture Adjustment Act and the National Industrial Recovery Act on agricultural producers, natural resource industries and related businesses, and the impact on county and state revenues;
- 6) develop state policies to counteract the negative effect of federal law; and
- 7) report its findings and recommendations annually by December 1 to the New Mexico Legislative Council and the Governor.

## **FISCAL IMPLICATIONS**

The appropriation of \$700,000 contained in this bill is a recurring expense to the general fund. This appropriation may be spent in fiscal year 2007 or 2008. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

## **DUPLICATION**

This is a duplicate of House Bill 443.

Senate Bill 415/SFCS is related to this bill; it appropriates \$50,000 to the State Land Office for Natural Resources Revenue Recover Task Force. The \$50,000 appropriation will go to the New Mexico Department of Agriculture if Senate Bill 573 passes.

**TECHNICAL ISSUES**

An issue to the NMDA is that while they assume responsibility for the task force from the State Land Office, the Commissioner of Public Lands is still charged with appointment of two members of the task force.

CH/nt