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FISCAL IMPACT REPORT

ORIGINAL DATE 3/12/2007

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Native Arts and Crafts Authenticity Task Force SB SJM 71

ANALYST Schuss

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HJM 62

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Joint Memorial 71 requests the creation of a Native American Arts and Crafts Authenticity Task Force.

SIGNIFICANT ISSUES

Senate Joint Memorial 71 requests that:

- The governor appoint a "Native American Arts and Crafts Authenticity Task Force" whose members shall include representatives from the Cultural Affairs Department, the Economic Development Department, the Indian Affairs Department, Native American artisans and the Native American arts and crafts industry;
- The governor designate the Cultural Affairs Department to provide administrative support to the Task Force and that the Task Force be requested to prepare a report to the governor and the legislature that provides information about the nature and extent of the production and sale of authentic and of counterfeit Native American arts and crafts in New Mexico;
- The Task Force be requested to consider ways in which the State Indian Arts and Crafts Sales Act and the Federal Indian Arts and Crafts Act might be better enforced in New Mexico;
- The Task Force be requested to find alternative ways in which consumers purchasing Native American arts and crafts in New Mexico could be more confident that the products they purchase are authentic;

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- The Task Force present its report to the governor and to the appropriate interim legislative committees by October 1, 2007; and
- Copies of this memorial be transmitted to the governor, the Secretary of Cultural Affairs, the Secretary of Economic Development and the Secretary of Indian Affairs.

SJM 71 states that:

- The retail market for Native American arts and crafts results in significant retail sales in New Mexico every year, and the availability of authentic Native American arts and crafts is a major draw for tourism in New Mexico;
- The sale of authentic Native American arts and crafts provides a significant source of income for many Native American artisans residing in New Mexico;
- There is an increasing amount of counterfeit, non-Indian made arts and crafts that are being marketed as authentic, and many consumers are unable to discriminate between the two;
- The increasing availability of counterfeit Native American arts and crafts threatens the confidence of consumers in the integrity of the Native American arts and crafts market in New Mexico;
- Education and outreach to consumers about how to recognize authentic Native American arts and crafts is an important method to protect authentic Native American arts and crafts in this state;
- Outreach and education to rural and isolated Native American artisans about proposed official steps to protect this culturally based economy and involving them in the process of seeking appropriate protection for this economy is important;
- The Cultural Affairs Department currently runs a program in conjunction with the Palace of the Governors in Santa Fe whereby Native Americans sell authentic Indian arts and crafts on the portal of the palace of the governors; and
- The Cultural Affairs Department has established a program whereby consumers can be confident that Native American arts and crafts purchased pursuant to the portal program of the Palace of the Governors are authentic.

FISCAL IMPLICATIONS

Although SJM 71 submits no appropriation request, the creation of a Native American Arts and Crafts Authenticity Task Force implies a recurring fiscal impact of an indeterminate amount to the General Fund.

OTHER SUBSTANTIVE ISSUES

SJM 71 contends that:

- The state Indian Arts and Crafts Sales Act provides a theoretical framework for law enforcement officials to protect the public and the Indian craftsperson under the police powers of the state from false representation in the sale, trade, purchase or offering for sale of Indian arts and crafts. However, the Indian Arts and Crafts Sales Act has been rendered ineffective by a lack of resources for the investigation and prosecution of alleged violations of that act; and
- The federal Indian Arts and Crafts Act provides a theoretical framework for law enforcement officials to protect Indian artists from unfair competition from counterfeiters

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and to prevent consumers from unknowingly purchasing imitation products, but few, if any, enforcement actions have been brought pursuant to that act in New Mexico.

BS/csd