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FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/08

SPONSOR Payne LAST UPDATED _____ HB _____

SHORT TITLE Fallen Military Warriors of NM Act SB 527

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$5,000.0	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	\$5,000.0		Non-Recurring	Fallen Military Warrior Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Veterans Services – VSD

SUMMARY

Senate Bill 527 appropriates five million dollars (\$5,000,000) from the General Fund to the New Mexico State Treasury (Treasurer's Office) to administer the 'Fallen Military Warriors of New Mexico Fund. This fund would be used to pay death benefits to specific classes of deceased veterans, which are as stated:

"veteran" means an individual who was a member of the uniformed services of the United States who served in:

- (1) Afghanistan or contiguous air space, as defined in federal regulations, on or after October 24, 2001, and before a terminal date to be prescribed by the United States Secretary of Defense; or

(2) Iraq or contiguous waters or air space, as defined in federal regulations, on or after March 19, 2003, and before a terminal date to be prescribed by the United States Secretary of Defense.

A death benefit of one hundred twenty-five thousand dollars (\$125,000) shall then be paid from the fund to the surviving spouse, child, dependent parent or estate of a New Mexico resident who was a veteran who was killed or died in the performance of duties on or after the effective date of the Fallen Military Warriors of New Mexico. This Bill also requires that a State flag be presented to the survivors by DVS.

FISCAL IMPLICATIONS

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.

This Bill requests that a Fallen Warriors of New Mexico Fund of five million dollars (\$5,000,000) be appropriated from the General Fund sent to the State Treasury to be administered by the State Treasurer's Office.

A death benefit of one hundred twenty-five thousand dollars (\$125,000) shall be paid from the fund to the surviving spouse, child, dependent parent or estate of a New Mexico resident who was a veteran who was killed or died in the performance of duties on or after the effective date of the Fallen Military Warriors of New Mexico Act.

Any unspent or un-encumbered balance remaining at the end of Fiscal Year 2009 shall not revert to the General Fund.

SIGNIFICANT ISSUES

This Bill honors the fallen veterans of New Mexico, who served in the contiguous Iraq combat theater of action and the contiguous Afghanistan combat theater of action.

The Bill, however, does not address Service related casualties that may have occurred in other parts of the world, including the United States. Additionally, this Bill would pay veterans who were casualties on or after the contemplated effective date of the passing of this Bill.

The Bill may inadvertently restrict applicants' families who have made the 'ultimate sacrifice'

VSD notes:

There have been 50 soldiers with ties to New Mexico that have been killed so far. None of these families would qualify for this, only those who are killed after this goes into effect. It would be awarded apart from any other life insurances that may be in effect.

DUPLICATE RELATIONSHIP

Senate Bill 527 duplicates House Bill 611