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HOUSE MEMORIAL 126

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

James Roger Madalena

A MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO STUDY WAYS IN WHICH THE STATE CAN ASSIST NONPROFIT ORGANIZATIONS WITHIN THE CONSTRAINTS IMPOSED BY THE ANTI-DONATION CLAUSE OF THE CONSTITUTION OF NEW MEXICO.

WHEREAS, nonprofit organizations exist solely to provide programs and services that are of public benefit; and

WHEREAS, those programs and services are not generally provided by local, state, federal or tribal entities; and

WHEREAS, state, local and tribal governments are often beneficiaries of the work of nonprofit organizations, as the services and programs they provide meet or address constituent needs that the governments are unable or unwilling to meet; and

WHEREAS, nonprofit organizations are charitable organizations that, by law, may not make a profit and that must

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1 retain any surplus earnings for future provision of programs
2 and services; and

3 WHEREAS, the ability to build capacity is an ongoing
4 problem for most nonprofit entities that must rely on
5 charitable donations, grants, government funds and direct
6 donations to hire and retain staff, sustain facilities or
7 create programs; and

8 WHEREAS, state, local and tribal governments frequently
9 find themselves in partnership relationships with nonprofit
10 organizations to provide the necessary services and programs
11 identified as serving the public good and improving the lives
12 and well-being of New Mexicans; and

13 WHEREAS, those partnerships are dependent on an indirect
14 appropriation of government funds to nonprofit organizations
15 due to the constitutional provision that prohibits the direct
16 contribution of state, local or tribal government funds to
17 private entities; and

18 WHEREAS, nonprofit organizations cannot rely on these
19 partnerships for more than the current year in which the
20 funding is received and must compete to receive the funds with
21 other organizations that may provide similar programs or
22 services; and

23 WHEREAS, the unreliability of government funding can have
24 the unintended consequence of limiting the commitment a
25 nonprofit organization makes to the program or service that

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1 government would like to fund; and

2 WHEREAS, it is to the benefit of the state that nonprofit
3 organizations that provide essential programs and services be
4 supported in their ability to sustain and further grow these
5 services and programs;

6 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
7 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the legislative
8 finance committee be requested to study ways in which, within
9 the constraints imposed by Article 9, Section 14 of the
10 constitution of New Mexico, the state might be able to
11 financially assist nonprofit entities in their efforts to
12 improve the lives and well-being of New Mexicans; and

13 BE IT FURTHER RESOLVED that the legislative finance
14 committee report its findings and recommendations to the
15 appropriate interim legislative committees and send an
16 executive summary to each legislator by October 1, 2009; and

17 BE IT FURTHER RESOLVED that copies of this memorial be
18 transmitted to the chair and vice chair of the legislative
19 finance committee, the director of the legislative finance
20 committee and the co-chairs of the New Mexico legislative
21 council.

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