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FISCAL IMPACT REPORT

SPONSOR Munoz **ORIGINAL DATE** 2/14/2010 **LAST UPDATED** _____ **HB** _____
SHORT TITLE LFC Review of Tribal Capital Outlay Cuts **SB** 206
ANALYST Burns

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 206 amends portions of Section 2-5-3 NMSA 1978, Legislative Finance Committee Duties, adding the requirement that the committee prepare a comparison of tribal versus nontribal cuts or reversions to capital outlay projects or funds by county, including the dollar amounts of the cuts or reversions compared to total county population, and report on the equity of cuts or reversions to the senate finance committee in advance of its issuance of a committee report on a bill to revert or cut tribal capital outlay.

FISCAL IMPLICATIONS

There is no fiscal impact contained in the bill.

SIGNIFICANT ISSUES

There is concern over the equity of reverting capital outlay projects from certain communities. The current fiscal situation of the state makes cuts critical in order for the state to meet its financial obligations, adequately fund state services, avoid cuts to education, and prevent increases in taxes. When bills are introduced to revert capital outlay funding, projects go through an extensive review process before being placed in a bill to be voided. The extensive review

process often leads to the formation of a bill at the last minute. Requiring a report to be done regarding the equity of cuts could further delay the passage of a bill that is often critical for continued operations of the state.

Projects are tracked by county and are not tracked by tribal or non-tribal. Tribal projects are administered by various agencies including the Department of Transportation, Aging and Long Term Services Department, and the Indian Affairs Department. While many of the projects reside on tribal land they are not tracked in that manner.

ADMINISTRATIVE IMPLICATIONS

LFC would be required to prepare a comparison of tribal versus non-tribal cuts and report on the equity of those cuts to the Senate Finance Committee.

KJB/mt