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FISCAL IMPACT REPORT

SPONSOR Candelaria ORIGINAL DATE 02/08/21
LAST UPDATED _____ HB _____

SHORT TITLE Repeal Anti-Donation, CA SJR 9

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$150.0 - \$200.0		\$150.0 - \$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)
Economic Development Department (EDD)
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

Senate Joint Resolution 9 would allow voters to decide on whether to repeal Section 14, Article 9 of the New Mexico Constitution known as the anti-donation clause.

FISCAL IMPLICATIONS

Under Section 1-16-4 NMSA 1978 and the New Mexico constitution, the SOS is required to print samples of the text of each constitutional amendment, in both Spanish and English, in an amount equal to ten percent of the registered voters in the state. The SOS is also required to publish them once a week for four weeks preceding the election in newspapers in every county in the state. The estimated cost per constitutional amendment is \$150 - to \$200 thousand depending upon the size and number of ballots and if additional ballot stations are needed.

SIGNIFICANT ISSUES

NMAG describes the anti-donation clause as follows:

Article 9, Section 14 of the state constitution currently limits the state, counties, school

districts or municipalities to lend, pledge its credit or make any donation except to specified entities described in subsections (A) through (G), which include (A) making provision for the care and maintenance of sick and indigent persons; (B) providing free tuition for certain Vietnam veterans who are post-secondary students at state educational institutions; (C) loans to students of the healing arts for state residents who contract with the state to practice their profession within the state after graduation; (D) creating new job opportunities by providing land, buildings or infrastructure for facilities to support new or expanding businesses if approved through general implementing legislation that specifies the method of approval for state, county, or municipal projects; (E) and (F) describe how affordable housing can be constructed with donations, direct payments or other means through approval of the legislature through general implementing legislation that specifies how the state grants approval for county or municipal affordable housing projects supported by assistance; and (G) establishing a veterans' scholarship program to exempt certain military war veterans from tuition payments.

EDD reports:

The anti-donation clause can sometimes cause complications and difficulties engaging in economic development efforts, but that clause also safeguards taxpayers' money, ensuring benefit to the state in exchange for funds; eliminating the anti-donation clause eliminates that safeguard. If the anti-donation clause is repealed, the state would presumably be able to give money to any person or any company for any or no purpose.

CJ/al