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FISCAL IMPACT REPORT

SPONSOR <u>Steinborn/Diamond</u>	LAST UPDATED <u>03/08/23</u>
	ORIGINAL DATE <u>01/31/23</u>
SHORT TITLE <u>Transfer Rio Grande Trail Administration</u>	BILL NUMBER <u>Senate Bill 94/aSFC/aHAFC</u>
	ANALYST <u>Sanchez</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	\$75.0	\$75.0	\$150.0	Recurring	EDD Outdoor Recreation Division Operating Budget
	No fiscal impact	(\$75.0)	(\$75.0)	(\$150.0)	Recurring	EMNRD State Parks Division Operating Budget
Total	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From

Economic Development Department (EDD)
Energy, Minerals and Natural Resources Department (EMNRD)
Office of the Attorney General (NMAG)

SUMMARY

Synopsis of HAFC Amendment to Senate Bill 94

The House Appropriations and Finance Committee amendment to Senate Bill 94 removes the appropriation of \$225 thousand to the Economic Development Department. The effect of this change will be to leave only the \$75 thousand appropriated in the HAFC Committee Substitute for House Bill 2 (currently to the State Parks Division of the Energy, Minerals and Natural Resources Department) to support the work of the Rio Grande trail commission once it is relocated to the Economic Development Department.

Synopsis of SFC Amendment to Senate Bill 94

The Senate Finance Committee amendment to Senate Bill 94 adds language which creates a new section amending Section 16-3-4 NMSA 1978 (State trails system created; types of trails; planning). The amendments specifically exempt the Rio Grande trail from the provisions of the State Trails System Act (Section 16-3, NMSA 1978).

Synopsis of Original Bill

Senate Bill 94 amends Section 9-5C-1 NMSA 1978, to transfer the administrative responsibilities related to the Rio Grande Trail Commission (RGTC) from the Energy, Minerals and Natural Resources Department (EMNRD) to the Economic Development Department (EDD). The bill removes the authority of the Secretary of EMNRD to appoint members to the RGTC and instead assigns that authority to the Secretary of EDD. The bill also amends the membership of the RGTC to include the director of EDD's Outdoor Recreation Division.

Senate Bill 94 appropriates \$225 thousand from the general fund to the Economic Development Department for the purpose of supporting personnel and operational expenses needed to develop the Rio Grande trail and manage the Rio Grande Trail Commission.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023 (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

While the bill aims to reassign oversight and administrative responsibilities for the Rio Grande Trail Commission to the Economic Development Department's (EDD) Outdoor Recreation Division, the appropriation language indicates that the expense is nonrecurring. However, because the bill would enact a permanent change in duties, the cost to the general fund is assumed to be recurring.

The bill would also be supplemented by a \$75 thousand appropriation contained in the House Appropriations and Finance Committee Substitute for House Bill 2, which is currently assigned to the State Parks Division and EMNRD and would be transferred to EDD by the passage of this bill.

Without amendments specifying the authorization of additional personnel, EDD would not be able to add permanent staff positions to manage the commission. In its analysis, EDD stated:

To administer the Rio Grande trail commission and the "Rio Grande trail fund" as mentioned in the bill, EDD may need a few additional FTE not provided by the bill, and it is unclear if the language in the appropriation "...for personnel..." would be sufficient to allow ORD to create additional permanent FTE. Without authorization for additional FTE, the department would be forced to bring people in on contract, which could be challenging for the type and volume of work involved.

SIGNIFICANT ISSUES

Analysis from both EMNRD and EDD indicates that both agencies believe operational efficiencies might result from enacting the amendments proposed in Senate Bill 94. Both

agencies support reassigning oversight of the Rio Grande Trail Commission to the Economic Development Department. However, both agencies also express concerns about the need for recurring appropriations in the bill as written. If the bill aims to make this change permanent, amendments could be considered to specify that the appropriation is recurring.

TECHNICAL ISSUES

According to EMNRD’s analysis of the bill, the amendments to Section 9-5C-1, NMSA 1978, do not provide the Outdoor Recreation Division with authority under the State Trails System Act (Section 16-3-2, NMSA 1978) to construct, maintain or establish segments of the Rio Grande Trail.

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