

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 61 appropriates five million dollars to the Cultural Affairs Department (CAD) in one-time reverting general fund monies to support the operation of rural libraries in FY27 and FY28. It includes a provision that no more than \$2.5 million is spent during a single fiscal year.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

None identified.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

The CAD will direct the funding appropriated in this bill to the New Mexico State Library (NMSL) division for expenditure. Utilizing the existing administrative infrastructure of NMSL, the department will use the funding to provide both direct grants to rural libraries and specialized services to support rural library operations throughout the state.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to SB 62 and SB 99, both titled the Rural Libraries Endowment Fund. Both seek to appropriate \$29.5 million to the Rural Libraries Endowment Fund (RLEF). The RLEF provides necessary funding for operational and capital requirements, in addition to the delivery of specialized services to rural libraries throughout the state.

The Executive Budget Recommendation includes a five million dollar special appropriation for the RLEF; however, the Legislative Finance Committee recommendation is zero dollars.

TECHNICAL ISSUES

The bill does not define “rural libraries.” Under RLEF provisions, § [18-18-4](#), a “rural library” is a library that is established through an ordinance or legal resolution adopted by a political subdivision of the state and is located in an unincorporated area of the state or a municipality with a population on or after July 1, 2019 of three thousand or less; by a legal resolution of a tribal government in New Mexico with a tribal population on or after July 1, 2019 of three thousand or less; or as a corporation with tax-exempt status pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986 and is located in an unincorporated area of the state, or a municipality with a population on or after July 1, 2019 of three thousand or less.

OTHER SUBSTANTIVE ISSUES

Assuming that the existing statutory definition of “rural libraries” is applied, each of the 59 currently eligible libraries could receive approximately \$40,000 per year under this bill.

Historically, some rural libraries have encountered difficulty expending relatively large one-time funds within a single fiscal year.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico's rural libraries will operate with existing funding resources in FY27 and FY28.

AMENDMENTS

Amendment 1

Define "rural libraries" by amending Section 1, page 1, line 17 should be amended to specify: "2027 and 2028 to support ~~the operation of~~ grants to rural libraries as defined in Section 18-18-4 NMSA 1978;"

Amendment 2

Given concern for spending grant funds within one fiscal year, lines 18 and 19 should be amended to remove: "~~provided that no more than two million five hundred thousand dollars (\$2,500,000) shall be spent in any one fiscal year.~~"