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### FISCAL IMPACT REPORT

SPONSOR:	Vickers	DATE TYPED:	02/10/00	HB	243/aHLC
SHORT TITLE:	Changing the Definition of Earned and Unearned Income				SB
					ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00		
See Narrative				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to SB 376; SB 375; HB 242

### SOURCES OF INFORMATION

LFC files

Human Services Department

## SUMMARY

### Synopsis of HLC Amendment

HLC amends HB 243 to clarify the definition of earned income when it pertains to the management of property. The amendment reads as follows:

- "when substantial work is required of the participant to generate the earnings."

HLC also amends HB 243 to clarify the definition of unearned income when it pertains to management of property. The amendment reads as follows:

- "provided that the work required of the participant to generate the income is not substantial; and similar kinds of income."

***Substantial is not defined in the amendment.***

### Synopsis of Original Bill

HB 243 amends a section of the NM WORKS Act pertaining to the definition of earned and unearned income. The amendment effects a more traditional definition of earned and unearned income and according to the department will reduce the volume of program regulations.

The amendment includes child support; unemployment compensation benefits; union benefits; either cash or in-kind resulting from union membership; gifts; contributions ; and real property income in the "unearned income" definition. The purpose of the amendment is to clearly define these incomes as unearned.

### Significant Issues

The bill clarifies the definitions of "earned" and "unearned" income and brings those definitions in line with the income definitions of the Food Stamp Program.

### **ADMINISTRATIVE IMPLICATIONS**

Human Services Department maintains that the change will reduce the volume of program regulations.

### **DUPLICATION/RELATIONSHIP**

Duplicates SB 376 and relates to SB 375 and HB 242

BT/sb