

**NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.**

**Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.**

### FISCAL IMPACT REPORT

SPONSOR:	Pearce	DATE TYPED:	02/05/00	HB	336
SHORT TITLE:	Preference to NM Agricultural Products			SB	
				ANALYST:	Pacheco-Perez

### APPROPRIATION

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

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB334

### SOURCES OF INFORMATION

Commission on Higher Education (CHE)

New Mexico Department of Agriculture (NMDA)

General Services Department (GSD)

## **SUMMARY**

### Synopsis of Bill

This bill enacts a new section of the procurement code requiring every contract for the procurement of agricultural products to give preference to those from New Mexico when cost is equal and quality is similar. The NMDA is required to assist with implementation and enforcement of this provision and to provide information on the availability of agricultural products.

### Significant Issues

According to GSD, Section 13-1-21 NMSA 1978 presently authorizes a 5% bidders' preference be given to a "resident manufacturer" offering materials grown, produced or processed wholly in the state.

## **FISCAL IMPLICATIONS**

GSD notes minimal impact in implementing the new requirements set forth in this legislation.

## **ADMINISTRATIVE IMPLICATIONS**

The NMDA estimates the need for .5 FTE to disseminate information and to enforce this legislation. Enforcement would be difficult without penalty assessments.

GSD notes minimal impact on the agency.

### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

This bill relates to House Bill 334.

### **TECHNICAL ISSUES**

GSD offers the following amendment: page 1, line 22, following "agreement" and before "that" this be added "issued by the state purchasing agent or a central purchasing office."

### **OTHER SUBSTANTIVE ISSUES**

According to GSD, while reference is made to enforcement, the bill does not discuss penalties.

APP/sb