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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/06

SPONSOR Boykin LAST UPDATED _____ HB 89

SHORT TITLE Abolish Space Commission and Transfer Functions SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 89 will abolish the Space Commission and the Space Commercialization Division of the Economic Development Department. The bill further transfers resources of the division to the Spaceport Authority.

Section 1 reduces the number of authorized divisions at the department from six to five.
Section 2 transfers the budget, personnel, and other resources from the Office of Space Commercialization to the Spaceport Authority.

Section 3 repeals Sections 9-15-43 through 9-15-47 NMSA 1978, thus abolishing the Space Commission and Space Commercialization Division.

FISCAL IMPLICATIONS

General funds identified within the Economic Development Department for FY07 budget will be transferred to support the Spaceport Authority.

The FY06 operating budget for the Space Commercialization Division, commonly known as the

Office of Space Commercialization, totaled \$254 thousand (\$254,000) and 3 FTE. The Office of Space Commercialization falls within the Technology and Space Commercialization Program, which for FY06 also included the Technology Division and Office of Military Base Planning and Support. The Legislature appropriated \$706 thousand for the Technology and Space Commercialization Program in The FY06 operating budget.

SIGNIFICANT ISSUES

The Spaceport Development Act, enacted last year, created the Spaceport Authority which has ultimate responsibility for planning, designing and constructing the spaceport facility in southern New Mexico. It also has many responsibilities and activities currently under the jurisdiction of the Office of Space Commercialization and the Space Commission. This legislation removes conflicts between two statutorily created bodies.

The Spaceport Authority, administratively attached to EDD, consists of a nine-member board, six of whom are appointed by the governor. According to EDD, the Authority, when created, was not provided funding to operate. The transfer of funds and FTE will enhance the ability of the Authority to carry out its statutory responsibilities.

PERFORMANCE IMPLICATIONS

There are no performance measures for the Spaceport Authority.

ADMINISTRATIVE IMPLICATIONS

The Spaceport Authority, by statute, is to be located within fifty miles of the southwest regional spaceport, currently planned to be built in Sierra County. In addition to the transfer of budget and resources, this bill might also require the physical transfer of personnel.

TECHNICAL ISSUES

This legislation does not stipulate a cap for budget transfer authority. EDD indicates that it would transfer approximately \$257 thousand to the Spaceport Authority out of the Technology and Space Commercialization Program budget for FY07.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Failure to pass this legislation will create conflicts in roles and responsibilities among the Space Commission, Office of Space Commercialization, and the Spaceport Authority.

BE/yr