

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:	Jennings, T.	DATE TYPED:	02/01/00	HB	
SHORT TITLE:	Preference for Bus Manufacturers			SB	18
				ANALYST:	Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		No Fiscal Impact - See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

General Services Department (GSD)

Economic Development Department (EDD)

Public Regulation Commission, Transportation Division (PRC/TD)

SUMMARY

Synopsis of Bill

Endorsed by the Revenue Stabilization and Tax Policy Committee, the bill eliminates the 5% bidders preference to qualified New Mexico resident businesses and manufacturers when competing for government procurement contracts in the case of buses.

The bill allows open competition for public procurement contracts, so that there is equal opportunity to sell buses in states that have reciprocal preference laws.

Significant Issues

According to a survey conducted by the General Services Department of 32 states with Reciprocal Preference Laws regarding SB18 and its effect on competing for business in those states, there would be 2 effects:

1. No effect since their reciprocal statute applied to any business, without regard to the particular commodity or service offered by the business, that maintained its principal place of business located in a state that had a resident preference; and
2. Since their reciprocal preference applied to individual commodities and services, the preference would be waived if New Mexico resident businesses and manufacturers that manufacture buses attempted to compete for government business in their state.

AW/gm