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FISCAL IMPACT REPORT

ORIGINAL DATE 2-12-2007

SPONSOR HBIC LAST UPDATED _____ HB 671/HBICS

SHORT TITLE Ocate Training Center Complex Canteen SB _____

ANALYST Peery-Galon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
 Department of Military Affairs (DMA)
 Office of the State Auditor (OSA)

SUMMARY

Synopsis of Bill

The House Business and Industry Committee Substitute for House Bill 671 states the Department of Military Affairs may establish a "Morale, Welfare and Recreation Facilities" at the Ocate training center complex in Santa Fe. The facilities is to be used by active and reserve component members of the armed forces of the United States, persons retired from the armed forces of the United States, and state and federal civilian employees assigned to the department.

The Morale, Welfare and Recreation Facilities are to be established in accordance with rules of the federal departments of the army and air force and the National Guard governing non-appropriated fund morale, welfare and recreation activities. The Department of Military Affairs is to adopt and promulgate rules to carry out the provisions in this section. The Morale, Welfare and Recreation Facilities are to be separate from the state and self-sufficient. The facilities are not to receive any appropriations from the Legislature.

The Department of Military Affairs is to establish a system of bookkeeping and accounting for the proper handling of money derived from the operation of the Morale, Welfare and Recreation Facilities. Money derived from the facilities operation is not state money and will not be commingled with money received by the Department of Military Affairs from state sources. Money derived from the operation of the facilities is appropriated to the Department of Military

Affairs for the continued operation of the facilities and the general welfare of members of the New Mexico National Guard. The Department of Military Affairs may contract for the operation of the Morale, Welfare and Recreation Facilities; however, no obligations or contract of the facilities are to be considered obligations or contracts of the state.

The Department of Military Affairs is required to have an annual independent audit each year of the facilities' operations and may require other audits as deemed necessary. Audits are to be submitted to the State Auditor and the Legislative Finance Committee within 10 days of receipt by the Department of Military Affairs.

SIGNIFICANT ISSUES

DMA states the substitute will allow national guardsmen to enjoy the benefits of Morale, Welfare and Recreation programs similar to those available to the active duty military. The substitute authorized the use of the Department of Defense guidelines and regulations for operating Moral, Welfare and Recreation programs. DMA cannot operate the Morale, Welfare and Recreations programs per the Department of Defense guidelines without the authorizing language contained in the substitute.

OSA notes corporate powers give an organization the capacity to have a name, and the right to sue and be sued in its own name without recourse to the state. The corporate powers granted to a separate organization are enumerated in its corporate charter or in the legislation authorizing its creation.

The Morale, Welfare and Recreation Facilities is a separate entity from the State of New Mexico, it can not receive appropriations from the state since this would violate the Anti-Donation Clause of the State Constitution.

ADMINISTRATIVE IMPLICATIONS

OSA notes the office would need additional administrative resources to review and approve the audit contract and the audit report of the Morale, Welfare and Recreation Facilities.

RPG/nt