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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 03/08/13  
**LAST UPDATED** 03/11/13     **HB** 637/HHGICS

**SPONSOR** HHGIC  
Public Peace, Health, Safety & Welfare –

**SHORT TITLE** Hispanic Cultural Center Board Membership     **SB** \_\_\_\_\_

**ANALYST** Chabot/Soderquist

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Minimal	Minimal	Minimal	Minimal	Nonrecurring	General Fund Other State Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicate to SB 604/SPACS

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of Bill

The House Health, Government and Indian Affairs Committee substitute for House Bill 637 provides for the governing board of the National Hispanic Cultural Center (NHCC) effective July 1, 2013 to have an operating agreement with a nonprofit organization. The nonprofit may nominate two of its board to the governor for appoint to one-year terms on the NHCC board. The bill deletes the provision on initial appointees. A person who concurrently is a member of the NHCC board and the nonprofit shall not vote on matters relating to the operating agreement.

The House Health, Government and Indian Affairs Committee substitute for House Bill 637 makes no changes to the House Judiciary Committee substitute for House Bill 637.

### FISCAL IMPLICATIONS

This bill will have minimal impact on the NHCC operating budget.

**SIGNIFICANT ISSUES**

The response from the Department of Cultural Affairs (DCA) states the proposed legislation may increase communication and consensus formation on common goals between the NHCC and a non-profit organization (foundation) with which an operating agreement exists. The Department references a similar relationship that currently exists between the New Mexico Natural History and Science Museum’s (NMNHSM) Board and its foundation.

However, it could also be argued that the proposed legislation creates a conflict of interest between a foundation and the NHCC Board, where the NHCC Board may have less flexibility in pursuing a specific policy because a financial relationship with a “non-profit organization” prevents it from doing so. Although it is assumed that the non-profit organization referred to in the legislation is the National Hispanic Cultural Center Foundation – which shares the goals of the NHCC – this does not necessarily preclude another non-profit organization from asserting its influence on the NHCC, perhaps in ways neither anticipated nor desired by the NHCC Board.

**DUPLICATION**

HB 637/HHGICS is a duplicate to SB 604/SPACS.

GAC:RS/blm:svb