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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/2020

SPONSOR Romero, GA LAST UPDATED _____ HB 103

SHORT TITLE El Camino Real De Tierra Adentro Funding SB _____

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$5,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Bill

House Bill 103 appropriates \$5 million from the general fund to the Cultural Affairs Department to administer the Camino Real de Tierra Adentro development fund and also creates the El Camino Real de Tierra Adentro National Historic Trail Development Commission.

The El Camino Real de Tierra Adentro National Historic Trail Development Commission is administratively attached to and staffed by the Department of Cultural Affairs. Its purpose is to facilitate public participation in the creation of planning for the preservation, interpretation, physical development, and public awareness of El Camino Real de Tierra Adentro and promote it as a national and international destination trail connecting history and cultures in New Mexico, Texas, and Mexico.

Responsibilities of the commission include the following:

- Planning for trail development in diverse communities using interpretive media;
- Collaborations with National Park Service and the Bureau of Land Management;
- Development of a general communication plan to attract visitors;
- Development of a web site; and
- Development of a guidelines for, and evaluation of, applications for funding from the fund.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2021 and subsequent fiscal years shall revert to the general fund.

Section G states that money in the Camino Real de Tierra Adentro development fund may be used for the following;

1. Up to \$500 thousand for expenses of the commission
2. Up to \$100 thousand per agency for planning grants to local public agencies
3. Loans (specific amount not listed) to local public agencies for the design, construction, and installation of physical improvements and facilities.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

DCA notes the following:

In supporting this new major undertaking, the proposed legislation does provide adequate funding for essential staff to carry out the mission.

As defined, the members of the commission (Section D) are staff of executive agencies with significant existing programs and responsibilities. In supporting this new major undertaking, the proposed legislation provides adequate funding for essential staff to carry out the mission.

Management of a loan fund for preservation and construction purposes presents multiple challenges. With past experience administering similar funds, DCA understands the obstacles, including issues relating to private lenders (for matching construction funds); repayment of loans; possible defaults; establishing appropriate financial tracking and monitoring systems.

SIGNIFICANT ISSUES

DCA notes the following:

The proposed legislation places responsibility for oversight with the Department of Cultural Affairs. This is appropriate as DCA currently and actively presents the history of the El Camino Real De Tierra Adentro at six, state-wide locations that have physical historic and modern visitor structures and provides regular presentations through our professional staff. This proposed legislation provides a broad operational scope for achieving the best possible preservation and public interpretation/engagement of the El Camino Real De Tierra Adentro National Historic Trail.

On February 21, 2019, the Department of Cultural Affairs entered into a Memorandum of Understanding (MOU) with the National Park Service (NPS), the Bureau of Land Management (BLM), and the Texas Historic Commission (THC) for the express purpose of jointly providing public engagement on the complex El Camino Real De Tierra Adentro history. This includes physical interpretive locations (the 6 DCA locations mentioned above), comprehensive interpretive materials for historic trails (NPS), recreational resources (BLM), and the Texas section of the trail (THC). The MOU supports the interagency coordination on promoting uniform engagement and storytelling of the trail and the development of the trail as a national and international destination.

This MOU provides a dynamic complement between state and federal partners to actively support HB103.

HB103 provides paths for a broad range of digital interpretation that can meet the needs of current visitor expectations. Further, when complete in late 2020, the interpretive planning documents derived from the DCA/NPS/BLM/THC Memorandum of Understanding will provide a collaborative platform for supporting the range of potential partners across the entire length of the trail.

PERFORMANCE IMPLICATIONS

DCA notes the following:

HB103 calls for the commission to create a strategic plan, develop application guidelines for funding, and provide annual reports to the appropriate legislative interim committees on the strategic plan for the Camino Real, the status of efforts to implement the plan, and the status of the fund by November 1, 2020, and every November 1 each year thereafter.

ADMINISTRATIVE IMPLICATIONS

As stated in the fiscal impact section, HB103 does provide adequate funding for essential staff at the Department of Cultural Affairs to carry out the mission.

OTHER SUBSTANTIVE ISSUES

DCA notes the following:

Page 4, lines 6-9, identifies as members of the state commission, two federal employees, one from NPS (ex-officio) and one from BLM (ex-officio). These persons would need to be designated by the respective federal agency and meet the qualification specified, i.e., be a “Camino Real administrator”.

All funding is directed to the commission and to “local public agencies” in the form of grants and loans. There is no delineation for funding private entities (such as community not-for-profit organizations or private museums) who may seek support for interpretive or educational programming along the trail.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DCA notes the following:

The majority of the trail is located in rural areas with limited economic development opportunities. By not enacting El Camino Real de Tierra Adentro Development Commission and its associated funds, the state may lose out on opportunities to support, develop, interpret, and market one of New Mexico’s true historic and cultural assets as communities along the trail will not have access to resources that can support interpreting their own portion of the trail’s history.

Further, with new economic development efforts connected with outdoor recreation, not enacting the bill would curtail the efforts of the multiple state agencies currently poised to collaborate on developing heritage-tourism-related outdoor recreation activities in New Mexico.

JM/al/sb