

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Burt/Stefanics</u>	<b>LAST UPDATED</b> <u>03/03/23</u>
<b>SHORT TITLE</b> <u>McBride Fire Recovery</u>	<b>ORIGINAL DATE</b> <u>02/15/23</u>
	<b>BILL NUMBER</b> <u>Senate Bill 430/aSFC</u>
	<b>ANALYST</b> <u>Sanchez/Hitzman</u>

### APPROPRIATION\* (dollars in thousands)

Appropriation			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
\$18,670.0	Remaining funds from FY23	Remaining funds from FY23	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 334

### Sources of Information

LFC Files

#### Responses Received From

Department of Homeland Security and Emergency Management (DHSEM)  
Office of the Attorney General (NMAG)

#### No Response Received

Department of Finance and Administration (DFA)

## SUMMARY

### Synopsis of SFC Amendment

The Senate Finance Committee Amendment to Senate Bill 430 reduces the appropriation from \$20 million to \$18.67 million. The appropriation will still flow from the general fund to the Local Government Division of the Department of Finance and Administration to support recovery efforts due to the McBride Fire of 2022 for the village of Ruidoso and Lincoln County.

### Synopsis of Senate Bill 430

Senate Bill 430 appropriates \$20 million from the general fund to the Local Government Division of the Department of Finance and Administration to support recovery efforts due to the McBride Fire of 2022 for the village of Ruidoso and Lincoln County. In addition, the bill allows the Local Government Division of the Department of Finance and Administration to expend up

to \$50 thousand for staff and administrative costs and requires the department to submit a report by August 1, 2023 and every three months thereafter regarding recovery efforts and damage caused.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023 (90 days after the Legislature adjourns) if signed into law.

## **FISCAL IMPLICATIONS**

The appropriation of \$18.67 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

Analysis from the Department of Homeland Security and Emergency Management (DHSEM) expressed concerns with the lack of guidance in the bill’s text regarding which specific recovery efforts should be targeted for support. This concern is echoed in the Office of the Attorney General’s (NMAG) analysis on other bills making similar appropriations.

Similarly, NMAG expressed concerns about potential conflicts with the Anti-Donation Clause in Article IX, Section 14 of the New Mexico Constitution if the funds are used to aid any person, association, or public or private corporation impacted by the fire. NMAG’s analysis also pointed out that the bill, as written, lacks an emergency clause.

DHSEM’s analysis stated:

“It is unclear if the \$50,000 appropriations for, “staff and related administration costs for the efforts,” is meant as a total allowance, or a yearly allowance.”

## **ADMINISTRATIVE IMPLICATIONS**

The Department of Finance and Administration will likely face the most significant administrative impacts from the passage of SB340. However, without analysis from the department, the costs and scope of the impacts cannot be estimated.

JH/SS/rl/hg/mg