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FISCAL IMPACT REPORT

SPONSOR:	Griego	DATE TYPED:	02/06/00	HB	
SHORT TITLE:	Federal Investment Corporation			SB	377
				ANALYST:	Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 55.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Office of Indian Affairs (OIA)

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 377 appropriates \$55.0 from the general fund to the Office of Indian Affairs to study the feasibility of creating a federal investment corporation similar to the federal overseas private investment corporation that will insure investments made on Indian land.

Significant Issues

The use of a federal investment insurance corporation will have the effect of bringing more investment capital to Indian lands because of the federal government insuring the investment. Economic development on Indian lands will help diversify their economy and provide more opportunities for Native Americans to live and work in their communities.

FISCAL IMPLICATIONS

The appropriation of \$55.0 in general fund in Senate Bill 377 is for expenditure in fiscal year 2001. Any unexpended or unencumbered balance remaining at the end of the fiscal year reverts to the general fund.

ADMINISTRATIVE IMPLICATIONS

The fiscal and administrative impact to the Office of Indian Affairs would be minimal. The agency would enter into a Joint Powers Agreement with a recognized governmental entity, such as the Navajo Nation, or another provider with the expertise to provide the services intended in Senate Bill 377.

POSSIBLE QUESTIONS

- Are there private insurance corporations or other private entities willing to insure investments on Indian lands?
- Could the federal government insure such investments?
- Is such insurance provided for investments on Indian lands in other states?

LMK/prr