NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

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FISCAL IMPACT REPORT

SPONSOR: 0	Carraro	DATE TYPED:	01/18/02	НВ	
SHORT TITLE:	State Veterans' Ceme	etery		SB	29
			ANAL	YST:	Chabot

APPROPRIATION

Appropriation Contained				Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$50.0			Non-Recurring	General Fund

REVENUE

Estimated Revenue		Subsequent Recurring Years Impact or Non-Rec		Fund Affected	
FY02		FY03			
		\$(50.0)		Non-Recurring	General Fund
					State Veterans'
		\$50.0		Non-Recurring	Cemetery Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files General Services Department (GSD) New Mexico Veterans' Service Commission (VSC) State Land Office (SLO)

SUMMARY

Synopsis of Bill

This bill appropriates \$50.0 from the general fund to create the State Veterans' Cemetery Fund for the purpose of establishing a state veterans' cemetery. Money in the fund is appropriated to VSC and will not revert to any other fund. The appropriation for fiscal year 2003 is to be used for conducting a study of parcels of state land in Rio Rancho in Sandoval county and other available state lands to assess their suitability for a state veterans' cemetery.

Significant Issues

At present, the federal Veterans' Administration has no plans for establishing new or expanding existing veterans' cemeteries in New Mexico. However, the New Mexico congressional delegation has expressed support to do so. It is estimated that the cemetery in Santa Fe will use all its available space in approximately ten years. There is sufficient available space for expansion at the Fort Bayard National Cemetery in southwest New Mexico. States may establish their own veterans' cemeteries. The federal government will provide grants for establishing and initial maintenance assistance to state veterans' cemeteries. This process is being used to convert the state-owned cemetery in Fort Stanton to a state veterans' cemetery. Once the grant funds for a specific location are used, maintenance and administrative costs are state responsibility. GSD expresses support for the Fort Stanton cemetery being a state-owned veterans' cemetery. Once the federal grant is received, Fort Stanton will serve veterans from south central and southeast New Mexico. The State Land Office notes that if state trust lands are identified for use as a cemetery that the trust must be compensated for the value of the land.

FISCAL IMPLICATIONS

The appropriation of \$50.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2003 shall not revert to the general fund but would remain in the Veterans' Cemetery Fund.

This bill creates a new fund and allows for future revenues that may accrue from other sources. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities. However, the bill states no additional funding is provided for this fund besides the initial \$50.0 appropriation.

ADMINISTRATIVE IMPLICATIONS

VSC will have to establish the fiscal year 2003 budget from the Veterans' Cemetery Fund through a budget adjustment request. VSC will have to determine the best and most cost effective method of conducting the survey of available land to find candidate locations for a state veterans' cemetery in the Rio Rancho area. VSC indicates it will probably perform the survey through a contract.

TECHNICAL ISSUES

The bill does not impose any reporting requirements on the VSC. It is recommend that page 3, line 18 be changed to read: "suitability for a state veterans' cemetery. The veterans' service commission will report its findings to the forty-sixth legislature. Any unexpended or"

GAC/ar/njw