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FISCAL IMPACT REPORT

SPONSOR SIAC DATE TYPED 2/17/04 HB _____

SHORT TITLE Shiprock Fairground Relocation SB 589/SIACS

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$500.0			Recurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of Indian Affairs (OIA)

SUMMARY

Synopsis of Bill

The bill appropriates \$500,000 from the General Fund to the Office of Indian Affairs to contract with the Shiprock Fair Board for the Shiprock Fair. The funds can be used for fairground facilities relocation costs, which include site development, fencing and construction of site utilities, paving of streets and construction of an arena.

Significant Issues

The Shiprock Fair is a memorable event that takes place every fall in Shiprock on the Navajo Nation.

Last year there was controversy over who was in charge of running the fair between the Shiprock Northern Navajo Fair Inc. and the Northern Navajo Nation Fair Board. The Shiprock Northern Navajo Fair Inc. is incorporated in the state of New Mexico and the Shiprock chapter house formed the Northern Navajo Nation Fair Board.

This bill appropriates state funds to the Shiprock Fair Board.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 05 shall revert to the General Fund.

TECHNICAL ISSUES

OIA express concern that an anti-donation issue with the legislation exists if the Shiprock Fair Board is not a tribal organization. OIA enters into JPA's with a tribe or a tribal organization that is wholly owned and operated by a tribal government or tribal governments (i.e. All Indian Pueblo Council or the Eight Northern Indian Pueblo Council). The OIA does not enter into JPA's with non-profits that are not certified by tribal governments as a tribal organization.

OIA suggest the Navajo Nation certify that the entity receiving the money is authorized to act as a tribal organization and can receive money and the contract as an alternative, the money should go to the Nation directly for the purpose of the fair, and then the Nation will need to contract with the board to expend the funds.

The OIA states that without a JPA a professional service contract could be issued, but the contract would need to go through the RFP process.

BD/dm