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FISCAL IMPACT REPORT

SPONSOR Anderson DATE TYPED 2/19/05 HB 1029

SHORT TITLE Create Military Family Assistance Fund SB _____

ANALYST Peery

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$5,000.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
\$5,000.0			Recurring	Military Assistance Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received From
Department of Veterans Services (DVS)

No Responses
State Treasurer (ST)
Department of Military Affairs (DMA)

SUMMARY

Synopsis of Bill

House Bill 1029 appropriates \$5,000,000 from the general fund to the newly created Military Family Assistance Fund to provide low-interest loans to New Mexico residents who are members of the armed forces of the United States who are serving on active duty and to their spouses.

FISCAL IMPLICATIONS

The appropriation of \$5,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall revert to the general fund.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. 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.

ADMINISTRATIVE IMPLICATIONS

Department of Veteran Services reports they would need two FTEs to administer the program.

CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

Senate Bill 490 is a duplicate.

TECHNICAL ISSUES

Department of Veterans Services states the proposed legislation is unclear as to whether they would need to adopt a rate of interest similar to the federal prime rate. Also, they state the bill does not state whether any collateral is needed in the event of a loan default.

ALTERNATIVES

Since the proposed legislation refers to members of the armed forces of the United States who are serving on “active” duty and to their spouses, it may be more efficient for the Department of Military Affairs to administer the program. The Department of Veterans Services deals with retired armed forces members.

RLP/yr