

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

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/09
 LAST UPDATED 02/27/09 HB 443

SPONSOR Park

SHORT TITLE Music Commission Act SB _____

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$46.0	\$46.0	\$92.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Bill

House Bill 443 establishes an advisory state music commission in statute which is administratively attached to the Arts Division of the Department of Cultural Affairs (DCA) consisting of 15 members appointed by the governor to promote music, musicians, music education, and the music industry in New Mexico.

FISCAL IMPLICATIONS

House Bill 443 carries no appropriation. DCA notes that the appointed commission members will not receive any compensation, perquisite or allowance. Administrative expenses for overseeing the commission meetings and business will likely be incurred by the Arts division of DCA where the commission will be administratively attached.

In FY09, a contract for music commission programs exists in the Arts Program in the amount of \$50 thousand. Also, a contract exists for \$11 thousand in the program to aide in funding a music commission position. The LFC recommended level of funding reduced these contract amounts in FY10. A temporary exempt position is funded in HB2sub for the music commission. Establishing the commission appears to make these costs permanent in future years as well as the need for an exempt position in the department associated with the music commission.

SIGNIFICANT ISSUES

DCA notes in their analysis that many of New Mexico's neighboring states have music commissions to promote music education and the music business. Music is a proven generator of economic activity in addition to stimulating creativity.

According to DCA, the existing New Mexico Music Commission was established in 2005 by an executive order from the Governor. In its three years of existence, the New Mexico Music Commission has established a website listing more than 1,300 New Mexico musicians and music industry organizations; produced award winning statewide television broadcasts of ten programs showcasing New Mexico's leading musicians and musical groups; worked with Expo New Mexico to showcase New Mexico musicians; collaborated with the New Mexico Film Office, connecting New Mexican musicians and composers with independent film producers; sponsored educational seminars on the business of music for New Mexico musicians taught by nationally recognized industry experts; and given statewide guidance and assistance to all seeking resources applicable to a wide array of music and music-related endeavors.

PERFORMANCE IMPLICATIONS

The creation of this state Music Commission would support key program goals for the Department of Cultural Affairs – “Stimulating economic development through strengthening and enhancing New Mexico's arts and music industries” and “Strengthening and promoting the music industry in New Mexico.”

If this bill is enacted, DCA should consider increasing related performance measures.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to the LFC recommended level of funding for FY10 for the Arts Division of the Department of Cultural Affairs.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to DCA, the current New Mexico Music Commission that was created by executive order by the Governor may cease to exist under the next gubernatorial administration.

POSSIBLE QUESTIONS

Given the declining revenue forecasts, is growing government at this time appropriate?
Is a commission consisting of 15 members necessary?