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FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/09

SPONSOR Lundstrom LAST UPDATED 2/17/09 HB 633

SHORT TITLE Create Indian Arts and Crafts Fund SB _____

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$0.0		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 83, HB 92, and HB 93.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)
 Department of Finance and Administration (DFA)
 Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

House Bill 633 creates a non-reverting fund in the State Treasury that shall be administered by the Department of Cultural Affairs (DCA) as an “Indian Arts and Crafts Fund.” The fund will be used to conduct studies regarding the extent to which the manufacture and sale of Native American arts and crafts contribute to the state’s culture and economy, the potential adverse impact of the import, production and sale of items of non-authentic Native American arts and crafts, the extent to which non-authentic Native American arts and crafts are misrepresented to the public and ways in which the state might promote and protect the contribution of the manufacture and sale of Native American arts and crafts to the state’s economy.

FISCAL IMPLICATIONS

There is no appropriation contained in this bill.

Continuing Appropriations language

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

DCA notes that the sale of imported and non-authentic Native American arts and crafts in New Mexico is an ongoing problem in which items are sold to uneducated tourists and citizens of the state as authentic Native American made. This deceptive practice undermines the authenticity of hand-made Native American arts and crafts and negatively impacts the state's culture and economy and its promotion of an authentic rich cultural heritage experience.

According to IAD, the Council for Indigenous Arts and culture states that this fraudulent activity is detrimental to the Native community through the loss of culture and personal income for many Native American artists. Fraudulent sales raise consumer doubt in the products being sold and erode the market for authentic Indian work.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB 83, HB 92, and HB 93.

It is important to note that HB 633 relates to HB 83 in that it would provide an alternative funding mechanism from the direct appropriation made in HB 83, Native American Arts & Crafts Sales, for the same studies.

TECHNICAL ISSUES

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

AMENDMENTS

The sponsor may wish to make a technical adjustment to language contained in the bill. The sponsor may wish to strike "shall be" in line 23 and replace with "is."

PV/mc