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FISCAL IMPACT REPORT

SPONSOR Madalena **ORIGINAL DATE** 3/4/09
LAST UPDATED _____ **HJR** 26
SHORT TITLE Nonprofit Use of Public Facilities, CA **SB** _____
ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Joint Memorial proposes to amend Article 9 Section 14 of the Constitution of New Mexico. The purpose of the amendment is to allow, under certain conditions, the state or any county or municipality to provide real estate, improvements, equipment or money to be used by nonprofit organizations that provide essential health or human services to the public on behalf of a county or municipality.

The proposed constitutional amendment would add a new subsection B. to Article 9 Section 14 as follows.

“B. Nothing in this section prohibits the state or any county or municipality from providing real estate, improvements, equipment or money for the use of a nonprofit organization that provides essential health or human services to the public on behalf of a county or municipality if the essential health or human services are provided pursuant to a contract between the nonprofit organization and the county or municipality and the contract also:

- (1) identifies how the real estate, improvements, equipment or money will be used;
- (2) identifies the specific essential health or human services that will be provided;
- (3) provides that, upon termination or expiration of the contract, the real estate, improvements, equipment or unexpended money will be returned; and
- (4) has been approved by the State Board of Finance or its successor agency as provided by law.”

House Joint Resolution 26 – Page 2

The resolution shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date that may be called for that purpose.

FISCAL IMPLICATIONS

House Joint Resolution 26 makes no appropriations.

SUBSTANTIVE ISSUES

This proposed constitutional amendment adds another exception to Article 9 Section 14, which is titled “[Aid to private enterprise; veterans’ scholarship program; student loans; job opportunities; affordable housing.]” The introduction to this Section reads as follows.

Neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise for the construction of any railroad except as provided in Subsections A through F of this section.

The new subsection makes it clear that the nonprofit’s use of public facilities or money would be subject to a contract with the government entity. Given the amount of funding that health and human services programs receive from all levels of government, it is not clear how this amendment would in practice reduce the costs of health and human services, or improve the quality of these services.

CH/mt:mc