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FISCAL IMPACT REPORT

ORIGINAL DATE 03/10/09

SPONSOR Begaye LAST UPDATED _____ HM 82

SHORT TITLE NM Military Relief Fund Study SB _____

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Non-Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Families of New Mexico military personnel injured or killed in the line of duty often have extraordinary travel, accommodation and other expenses. These families are not given sufficient assistance by the military to cover these expenses. Many New Mexicans would be willing to make donations to help these families.

New Mexico currently has an optional tax refund checkoff provision allowing taxpayers to donate part of their income tax refund to the Department of Military Affairs to be used to assist members of the New Mexico national guard activated for service in the global war on terrorism and their families. There is no other mechanism for citizens of New Mexico to contribute additional amounts to assist members of the armed forces and their families. It would be beneficial for all involved if a New Mexico military family relief fund was created as a mechanism to receive and distribute the tax refund checkoff contributions and additional contributions to assist military families.

Many other states have established military family relief funds and some states, including Arizona, provide an income tax credit for amounts donated to the military family relief fund. There are many issues to be considered in establishing a similar fund in New Mexico, including whether the fund would be created and administered as a state government entity or as a private nonprofit entity; the best methods to encourage contributions to the fund, including income tax deductions or credits; and the difficulties in complying with the anti-donation clause of the constitution of New Mexico.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the Department of Military Affairs and the Veterans' Services Department, in cooperation with the Navajo Nation Department of Veterans Affairs and other Native American Military or Veterans Affairs agencies, be requested to study the feasibility of creating a New Mexico Military Family Relief Fund to receive and distribute contributions for the support of New Mexico military families, particularly the families of those injured or killed in the line of duty, and the feasibility of various methods of securing funding; and BE IT FURTHER RESOLVED that the results of the study and recommendations be presented to the appropriate interim legislative committee prior to the start of the second session of the forty-ninth legislature; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the governor, the adjutant general of the Department of Military Affairs, the Secretary of Finance and Administration, the Secretary of Taxation and Revenue, the Secretary of Veterans' Services and the Director of the Legislative Finance Committee.

FISCAL IMPLICATIONS

It should be anticipated there will be some per diem and mileage costs as well as production expenses.

MW/mt