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FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/13

SPONSOR Padilla LAST UPDATED _____ HB _____

SHORT TITLE Nonprofit Board of Directors Members SB 110

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 110 adds the following section to Section 53-8-17 NMSA 1978 related to qualifications for certain board members.

“B. On and after July 1, 2013, if a nonprofit corporation exists or is organized for a purpose that is charitable, benevolent, eleemosynary, educational or civic, the articles of incorporation shall provide or be amended to provide that one or more director positions, beginning with the initial board of directors for corporations organized on or after July 1, 2013, or the next director selection event scheduled on or after July 1, 2013 for an existing corporation, shall be held by persons from a group or class of persons that receives assistance, benefit or service from the nonprofit corporation. If the articles of incorporation provide that directors are elected, then at least one director position shall be filled by an election from a list of candidates who are members of the group or class of persons that receives assistance, benefit or service from the nonprofit corporation.”

FISCAL IMPLICATIONS

There are no apparent fiscal impacts to any fund.

SIGNIFICANT ISSUES

Requiring at least one nonprofit board member to “be held by persons from a group or class of persons that receives assistance, benefit or service from the nonprofit corporation” may add expertise to the board in the area of the nonprofit’s stated purpose. However, it appears to also add an inherent conflict of interest.

MW/bm