

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 and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Trujillo ORIGINAL DATE 2/11/19  
LAST UPDATED \_\_\_\_\_ HB 430  
SHORT TITLE Library Procurement Code Exemption SB \_\_\_\_\_  
ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)

#### No Response Received From

General Services Department (GSD)

### SUMMARY

#### Synopsis of Bill

House Bill 430 amends the Procurement Code Section 13-1-98 NMSA 1978 to exempt purchases of print, digital, or electronic format library materials by public, school and state libraries for access by the public and publishing and distribution services for materials produced and intended for resale by the cultural affairs department.

### FISCAL IMPLICATIONS

The Department of Cultural Affairs (DCA) notes that exempting libraries and the Museum of New Mexico Press from the Procurement Code will likely reduce administrative burdens and create cost savings but did not provide an estimate of potential savings.

### SIGNIFICANT ISSUES

DCA notes:

The current [Procurement Code] exemption does not address all library material formats, and requires purchasing directly from publishers and copyright holders, which severely

limits a library's ability to lower administrative and operational costs. Libraries choose where to buy books not based on the cost of a single book, but on the overall quality and cost savings of the online ordering process and the integration with their online library catalog. The proposed language will allow libraries to significantly lower overall costs by selecting materials based on the quality of value added services, such as integrated book reviews, physical processing options, high quality catalog records, and integration with the library's online catalogs.

The General Services Department did not provide analysis on HB430.

CJ/sb/al