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FISCAL IMPACT REPORT

SPONSOR Louis **ORIGINAL DATE** 2/10/2020
LAST UPDATED 2/18/2020 **HB** 317/aHTPWC/aHSEIC
SHORT TITLE Clean & Beautiful Highways **SB** _____
ANALYST Martinez

Revenue (dollars in thousands)

Estimated Revenue		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	See Fiscal Implications		Litter Control and Beautification Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicate: SB235

SOURCES OF INFORMATION

LFC Files

Responses Received From
Tourism Department (NMTD)

SUMMARY

Synopsis of HSEIC Amendment

The House State Government, Elections and Indian Affairs Committee amendment strikes the HTPWC amendment #8 which included the following language “operating expenses for the New Mexico clean and beautiful program; and (5) no more than ten percent of fees received in a year to a clearinghouse for nonprofit organizations' beautification and related educational programs.”

The HSEIC amendment inserts in lieu thereof section 7 (4) “no more than fifteen percent of the fees received in a year for operating expenses for the New Mexico clean and beautiful program; and section 7 (5) “no more than ten percent of fees received in a year to a clearinghouse for nonprofit organizations' beautification and related educational programs.”

Synopsis of HTPWC Amendment

The House Transportation, Public Works, and Capital Improvements Committee amendment changes the total members on the New Mexico Clean and Beautiful Advisory Committee consisting of seven to eleven members and includes the requirement that one to five members shall be appointed from the state at large. The amendment also requires the department shall

allocate at least fifty percent of the fees received in a year to local governments from the fund. The amendment deletes Section 7 (4) and 7 (5) and includes the following language “operating expenses for the New Mexico clean and beautiful program; and (5) no more than ten percent of fees received in a year to a clearinghouse for nonprofit organizations' beautification and related educational programs.”

Synopsis of Original Bill

Section 3 of HB317 changes definitions of the Keep America Beautiful system, and replaces it with the Keep America Beautiful program to end littering, improve recycling and beautify American communities. Section 3 of HB317 inserts a definition of the “New Mexico Clean and Beautiful Program.” Section 4 of HB317 revises the New Mexico Clean and Beautiful Advisory committee from eleven members appointed by the tourism commission to seven members. Section 5 of HB317 amends the Litter Control Program, and replaces it with the Clean and Beautiful Program. Section 6 of HB317 A amends the department’s requirement to evaluate the projects and activities funded by the department and continues requirement to report all projects and activities. Section 7 of HB317 changes allocations from the litter and beautification fund and includes assistance to an Indian nation, tribe or pueblo government. Section 8 of HB317 repeals the Tourism department’s responsibility to establish reasonable guidelines for the number, placement and maintenance of litter receptacles.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

HB317 Section 7(B) removes all percentage requirements on allocations from the litter control and beautification fund. This allows broad authority for the Department, and provides that the Department can spend funds in any distribution or percentage on just one or a few of the areas provided for in statute including administering the fund, operating expenses, grants, professional services, promotion, and purchase of litter bags and receptacles. Current statute allows for 60 percent of the fund to go to local grants, HB317 removes the percent and allows for any amount to be spent on assistance to local governments.

HB317 also removes that ten percent of fees received in a year go to furthering beautification and educational programs.

The Tourism Department states that the removal of the percentage limitations on the distributions of the fund will allow the Department to provide more funds to the local and tribal governments for litter reduction, recycling improvement, and local beautification projects. The Department states that the current statutory percentages limit the number of dollars that could be used for such projects, which are the main purpose of the Litter Control and Beautification Act.

The Department currently uses general fund to cover operating expenses of the program.

The Tourism Department states that HB317 will allow for utilization of Litter Control and Beautification funds to cover operating expenses in the amount of \$200 thousand. Therefore, allowing the Department to use \$200 thousand of current general fund revenue on other purposes of the Clean and Beautiful program, however did not state what those other purposes would be.

As of November 2019, the balance of the litter control & beautification fund was approximately \$1.1 million.

SIGNIFICANT ISSUES

HB317 repeals Section 67-16-9 NMSA 1978, which states that the Tourism Department shall establish reasonable guidelines for the number, placement and maintenance of receptacles in cooperation with the persons in control of any property that is open to the public. It also states that the Tourism Department shall consider, among other public places, the public highways of the state, all parks, campgrounds, trailer parks, drive-in restaurants, construction sites, gasoline service stations, shopping centers, retail store parking lots, parking lots of industrial and business firms, marinas, boating areas, public and private piers, beaches and bathing areas and that litter receptacles shall be maintained in a manner to prevent overflow or spillage from the receptacles.

ADMINISTRATIVE IMPLICATIONS

The Tourism Department states that staff has managed the Clean and Beautiful program for many years, ensuring that local governments receive the funds intended by the Act to reduce littering, improve recycling and beautify their local communities and that HB317 will ensure that the program continues as it has been operating with maximum efficiency and appropriate use of the litter control and beautification fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate to SB235.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Tourism Department states that the program will continue to be managed as it has in the past, but there will remain unspent funds within the litter control & beautification fund due to the percentage limitations that currently exist in the statute.

JM/sb/al