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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/2020
 SPONSOR Sapient LAST UPDATED 2/18/2020 HB _____
 SHORT TITLE Clean & Beautiful Highways SB 235/aSCONC/aSFl#1
 ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				Litter Control and Beautification Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicate to HB317

SOURCES OF INFORMATION

LFC Files

Responses Received From

Tourism Department (NMTD)

SUMMARY

Synopsis of Senate Floor #1 Amendment

The Senate Floor #1 Amendment strikes the SCONC 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 Senate Floor #1 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 SCONC Amendment

The Senate Conservation 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 includes that 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

Senate Bill 235 updates terminology in the state Litter Control and Beautification Act, reduces the number of at-large members on the New Mexico Clean and Beautiful Advisory Committee, lifts the limits on the amount of the litter control and beautification fund that can be spent on administration and operations, trash bags and receptacles, and assistance to local governments, and adds Indian tribes and pueblos to those that can receive assistance.

SB235 Section 8 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 the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

SB235 Section 7(B) removes all percentage requirements on allocations from the litter control and beautification fund. This provides broad authority to 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 administration, operating expenses, grants, professional services, promotion, and litter bags and receptacles. Current statute allows for 60 percent of the fund to go to local grants, but SB235 removes the percent and allows for any amount to be spent on assistance to local governments.

SB235 also removes that 10 percent of fees received in a year go to furthering beautification and educational programs.

The Tourism Department states 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 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 appropriation to cover operating expenses of the program.

The Tourism Department states SB235 will allow for utilization of litter control and beautification funds to cover operating expenses in the amount of \$200 thousand, thereby, allowing the department to use \$200 thousand of current general fund revenue on other purposes of the clean and beautiful program, however it did not state what those other purposes would be.

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

SIGNIFICANT ISSUES

SB235 repeals Section 67-16-9 NMSA 1978, which states 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 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 SB235 will ensure 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 of HB317.

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 and beautification fund due to the percentage limitations that currently exist in the statute.

JM/sb