

LFC Requester:	Caroline Malone
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**AGENCY BILL ANALYSIS
2015 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 2/25/2015
Original **Amendment** _____ **Bill No:** HB517
Correction _____ **Substitute** _____

Sponsor: Rep. Antonio "Moe" Maestas **Agency Code:** Attorney General's Office
Short Historically Underutilized **Person Writing** Carla C. Martinez
Title: Businesses **Phone:** 827-6776 **Email** cmartinez@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
n/a	n/a		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
n/a	n/a	n/a		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	n/a	n/a	n/a	n/a		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

BILL SUMMARY

Synopsis:

House Bill 517 would require the state auditor to set initial statewide goals for fiscal year 2016 of not less than 10 percent for the use of historically underutilized businesses in the procurement of the following services:

- (1) Heavy construction;
- (2) All building construction;
- (3) All special trade construction contracts;
- (4) All other service contracts; and
- (5) Commodities contracts.

Beginning in fiscal year 2017, the state auditor shall modify the goals consistent with the University of New Mexico bureau of business and economic research review of United States economic census data and its most recent findings and recommendations to historically underutilized businesses.

Each state agency shall make a good faith effort to utilize historically underutilized businesses in contracts for each procurement category and may accomplish this by contracting or subcontracting with historically underutilized businesses.

FISCAL IMPLICATIONS

Unknown fiscal implications to the Office of State Auditor to implement the contents of this bill.

SIGNIFICANT ISSUES

The Office of the State Auditor is tasked with ensuring all government agencies receive an annual audit or agreed upon procedures if the agency falls with the tiered system of financial reporting. The Office of the State Auditor may also conduct special audits. The purview of the Office the State Auditor does not include overseeing procurement activities of government agencies except to ensure compliance with laws and regulations during the financial audit process. The Office of the State Auditor potentially getting involved in the management decision of how agencies conduct procurement could impair the Office of the State Auditor’s independence.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

Status quo