



STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building, Ste 201 • Santa Fe, New Mexico 87501
Phone: (505) 827-4950 • FAX (505) 827-4948
www.nmdfa.state.nm.us

BILL RICHARDSON
GOVERNOR

MEMORANDUM # BFB-10-01

KATHERINE B. MILLER
CABINET SECRETARY

TO: Municipal and County Finance Officers

ROBERT M. APODACA
DIRECTOR

FROM: John A. Gallegos, Budget and Finance Bureau Chief
DFA, Local Government Division

DATE: July 22, 2009

SUBJECT: Memorandum #BFB-09-01, Section VI, Recommendations

The Economic Development Department's New Mexico MainStreet Program has received some inquiries from local MainStreet projects regarding the memo referenced above, specifically the "recommendation" on page five to discontinue "unappropriated" contributions to non-profit organizations to help avoid possible anti-donation violations.

The purpose of this memo is to clarify the intent of this recommendation as it relates to local New Mexico MainStreet projects.

This recommendation does not apply to programs, such as MainStreet programs, that have legislative authorization and that provide specific services and value to assist municipalities and counties with economic development.

The New Mexico MainStreet Program was authorized by the New Mexico State Legislature in 1978. The program was formed to *"provide for the revitalization of central business districts in New Mexico communities based on the preservation and rehabilitation of existing structures of unique historical and architectural character and the development of progressive marketing and management techniques as an economic development strategy for local governments."* -3-60B-1 to 3-60B-4 NMSA 1978

The New Mexico MainStreet Program is an affiliated "state coordinating program" of the National Trust for Historic Preservation. The New Mexico MainStreet Program works cooperatively with locally designated MainStreet communities through the local MainStreet project, which is often a non-profit, 501c3 corporation. These local MainStreet projects have an exchange of value for the municipalities that fund them for economic development and historic preservation.

Municipalities and counties may continue to fund local MainStreet projects through a contract for services and deliverables and therefore, be in compliance with the state's anti-donation clause. Municipalities and counties may also continue to assist and partner in the administration of MainStreet Capital Outlay funds of the state legislature and with federally funded projects for downtown MainStreet revitalization.