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FISCAL IMPACT REPORT

SPONSOR Gonzales/Garcia, H/ Sanchez/Egolf
ORIGINAL DATE 2/14/19
LAST UPDATED 3/06/19
HB 507/aHCEDC/aHAFC
SHORT TITLE Mobility Industry Market Task Force
SB _____
ANALYST Martinez/Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Unknown	Unknown	Unknown	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee Amendment to House Bill 507, as amended, strikes the \$500,000 appropriation from the general fund previously contained in Section 2 of this bill. The appropriation table that appeared previously in this FIR has been removed consistent with this amendment. In the absence of an appropriation, the operating budget impact table reflects an unknown impact to the general fund for costs arising from the task force's performance of its duties pursuant to this bill.

Synopsis of HCEDC Amendment

The House Commerce & Economic Development Committee Amendment to House Bill 507 adds the secretary of homeland security and emergency management or the secretary's designee to task force created in this bill.

Synopsis of Original Bill

HB507 creates a Mobility Industry Market Task Force. The purpose of the task force is to conduct a market analysis of New Mexico's current challenges and competitive advantages in becoming the center for the development, use and manufacture of mobility technologies and to develop a statewide strategic plan to foster a mobility technology industry.

Section 1, defines mobility technology as vehicle or conveyance technology used to move people

or goods that reduces the need for human supervision to move the same number of people or goods on a per-unit basis as vehicle or conveyance technology used in ninety-five percent or more of the United States national market in 2016.

Section 1, also states that Mobility technology includes vehicles, fixed sensor and communications infrastructure, remote information processing and control facilities and concomitant cybersecurity software;

The task force members will include the (1) Secretary of the Economic Development Department, (2) Secretary of Transportation Department, (3) Secretary of Workforce Solutions Department or their designees, (4) a member from a council of governments (5) two members with experience in the mobility technology industry, (6) two members from municipal, county or tribal agencies, (7) a member with experience in the freight shipment industry, (8) a member with experience in the venture capital industry; and (9) a member from a state college or university.

Additional members may be appointed as necessary by the secretary of the Economic Development Department.

The task force must provide a status report on its market analysis and strategic plan to the Legislature and Governor by November 1, 2019. The Task force must deliver a final market analysis and strategic plan to the Legislature and Governor by November 1, 2020.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in HB507 is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY21 shall revert back to the general fund.

SIGNIFICANT ISSUES

The Economic Development Department did not state if administering this appropriation for the Mobility Industry Market Task Force will cause an increase in operating expenses for the Department. It is assumed that a current employee of the Department will take on the role of administering this appropriation and be the main point of contact to organize all meetings, travel etc. for the Mobility Industry Market Task Force. This will create an extra workload for such employee, and will also cause less time to be performed on other duties.

Section 1 (C) states that “the Secretary of the Economic Development Department shall appoint members to the task force as necessary, but at a minimum the task force shall be composed of...” This section is unclear if the Secretary of EDD will appoint all members initially. The positions listed below are broad, and it is unclear who is responsible for appointing the following: (4) a member from a council of governments (5) two members with experience in the mobility technology industry, (6) two members from municipal, county or tribal agencies, (7) a member with experience in the freight shipment industry, (8) a member with experience in the venture capital industry; and (9) a member from a state college or university.

If the Secretaries from the Economic Development Department, Transportation Department, or Workforce Solutions Department are intended to appoint all of the other members of the task force, this should be clearly stated.

ADMINISTRATIVE IMPLICATIONS

See significant issues.

ALTERNATIVES

An appropriation can be made to the Economic Development Department to contract with a provider that is an expert in the research being requested by the task force in HB507.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A Mobility Industry Market Task Force will not be created.

JM/MD/gb/al/sb