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FISCAL IMPACT REPORT

SPONSOR Diamond Brantley **LAST UPDATED** _____
ORIGINAL DATE 1/22/24
SHORT TITLE Chile Harvesting Funds **BILL NUMBER** Senate Bill 93
ANALYST Jorgensen

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$500.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
New Mexico State University (NMSU)

SUMMARY

Synopsis of Senate Bill 93

Senate Bill 93 appropriates \$500 thousand from the general fund to New Mexico State University (NMSU) for the purpose of conducting research and development of chile harvesting solutions (\$400 thousand) and to collaborate with a statewide association that represents growers, processors, manufactures, and others to design and implement a marketing campaign for New Mexico grown chile (\$100 thousand).

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

SIGNIFICANT ISSUES

NMSU reports:

Since peaking at more than 26 thousand acres in 1992, production pressures have led to a dramatic reduction to about 8,500 acres grown annually, about half of which is the predominantly hand-harvested green chile crop. A key issue spurring the decline is the shortage and expense of farm labor needed for this labor-intensive crop. Adopting mechanical harvest is essential to reversing the declining acreage. Net operating profit per acre of manually harvested New Mexico type green chile is approximately \$1,000/acre. When using new, highly efficient mechanical harvest varieties, the net profit increases to about \$3,000/acre. With research and development in breeding these new varieties to spur full adoption of mechanical harvest, the potential economic impact is \$8.5 million annual net proceeds to producers.

CJ/ss/ne/al