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FISCAL IMPACT REPORT

SPONSOR Stefanics/Lord/Gonzales **LAST UPDATED** _____
ORIGINAL DATE 2/1/2025
SHORT TITLE Economic Development in Lower Estancia Valley **BILL NUMBER** Senate Bill 183
ANALYST Fischer

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$100.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Senate Bill 183

Senate Bill 183 (SB183) appropriates \$100 thousand from the general fund to the Economic Development Department (EDD) to contract with an economic development organization in the Lower Estancia Valley to foster community growth and development through economic programs designed to strengthen and expand the income potential of all businesses in the trade area, to promote programs of a civic, social and cultural nature that are designed to increase the functional and aesthetic values of the community, and to discover and correct abuses that prevent the advancement of business expansion and community growth. This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

SIGNIFICANT ISSUES

EDD notes the success of the initiative funded in SB183 depends on the capacity of the contracted economic development organization to implement impactful programs. The

department recommends the success of the appropriation should be measured by key performance indicators, such as:

- New business formations or expansions in the Lower Estancia Valley,
- Job creation and employment rate improvements in the trade area,
- Revenue growth among existing businesses benefiting from economic programs, and
- Community engagement levels in civic, social, and cultural programs supported by the funding.

ADMINISTRATIVE IMPLICATIONS

EDD notes it may incur minor administrative costs to oversee the contracting process and ensure compliance with funding conditions. These costs would likely be absorbed within existing agency resources.

MF/rl/hg/sgs