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FISCAL IMPACT REPORT

SPONSOR Garcia, M.H. **ORIGINAL DATE** 1/31/06 **LAST UPDATED** _____ **HB** 373
SHORT TITLE US-Mexico Border Economic Development **SB** _____
ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Border Authority (BA)

SUMMARY

Synopsis of Bill

House Bill 373 appropriates \$100 thousand from the general fund to the Economic Development Department for a bi-national, regional and technology-based economic development program on the US-Mexico border.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

The Bi-National Sustainability Laboratory (BNSL) opened a facility in Santa Teresa, NM, in November 2005. The BNSL partners with universities, national laboratories, and governments from Mexico and the United States to address issues in the border region, including: energy, water and environmental degradation.

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According to the Economic Development Department website, BNSL consists of the US/Mexico border states – California, Baja California, Sonora, Arizona, Chihuahua, New Mexico, Coahuila, Texas, Nuevo Leon, and Tamaulipas. Funding for the project has come from Mexico (\$400,000), New Mexico (\$100,000), and FUMEC, which was awarded \$400,000 from the US Economic Development Administration.

This appropriation would continue funding at the same level in FY07.

According to the Border Authority, New Mexico's international ports are at a competitive disadvantage to nearby Texas ports. Improved technologies in production and the integration of supply and distribution chains, customs brokerage and freight forwarding, and customs processing on both sides of the border would significantly improve our state's competitiveness. New Mexico can offer unique economic development opportunities when technology is applied to complementary bi-national projects that can be located adjacent to one another at the border.

BE/yr