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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/06

SPONSOR Nunez LAST UPDATED _____ HB 474

SHORT TITLE Market New Mexico Grown Wheat SB _____

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 172
Relates to Appropriation in General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

House Bill 474 appropriates \$150,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) for the New Mexico Department of Agriculture (NMDA) to market New Mexico-grown wheat internationally and domestically.

FISCAL IMPLICATIONS

The appropriation of \$150,000 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.

The sum of \$47,500 was appropriated for this purpose in Chapter 34, Laws of 2005 (Senate Bill 190.) The Legislative Finance Committee funding recommendation for fiscal year 2007 has included this amount as a component of a block-grant appropriation to NMSU for special project

expansion. The Executive recommendation does not include funding for this item. Therefore, depending on which recommendation is adopted, the appropriation in this bill will may result in the augmentation of the funding contained in HB 2.

SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests submitted by NMSU to the Higher Education Department (HED) for review. Consequently, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

ADMINISTRATIVE IMPLICATIONS

NMSU would be responsible for administration of the funds appropriated through this legislation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 474 and Senate Bill 172 are duplicate measures.

OTHER SUBSTANTIVE ISSUES

NMDA reports that it is following the lead of the United States Department of Agriculture (USDA) to develop value-added bio-fuels using bulk grains such as wheat. This funding will provide the New Mexico wheat industry needed resources to evaluate not only bio-fuels but other value-added activities. The New Mexico wheat industry is extremely important to eastern and northeastern New Mexico. This funding will help stimulate the development of alternative markets and usage.

DKE/yr