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FISCAL IMPACT REPORT

ORIGINAL DATE 2/14/07

SPONSOR Varela LAST UPDATED _____ HB 725

SHORT TITLE Artisan Manufacturers and Food Processors SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|---------|-------------------------|------------------|
| FY07 | FY08 | | |
| | \$300.0 | Recurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 606

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 725 appropriates \$300 thousand from the general fund to Economic Development Department for the New Mexico's Own Initiative to promote the state's artisan manufacturers and food processors through a trade show, a web site, a continues consumer awareness initiative and other technical assistance.

FISCAL IMPLICATIONS

The appropriation of \$300 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 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

EDD indicates that promoting New Mexico's artisan manufacturers and food processors assists these companies in increasing their market share and ultimately can lead to business expansion

and job creation.

New Mexico's Own Program is a private, 501(c)(3) non-profit organization dedicated to promoting New Mexico companies.

EDD indicates that New Mexico's Own markets products from approximately 48 artisan manufacturers and food processors. Providing an appropriation to promote New Mexico's artisan manufacturers and food processors will allow more New Mexico artisan manufacturers and food processors to promote their products. This will increase exports from New Mexico and expand New Mexico's manufacturing base. Ultimately, this will increase net revenues to the state through increase state income taxes, GRT, and withholding taxes.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 725 relates to HB 606, which allows municipalities to create Arts and Cultural Districts.

BE/csd