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FISCAL IMPACT REPORT

ORIGINAL DATE 02/28/07
 LAST UPDATED 03/05/07 HB HM 49/HAGC

SPONSOR Begay

SHORT TITLE Study Legal Hemp Industry SB _____

ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of HAGC Amendment

The House Agriculture and Water Resources Committee amendment to House Memorial 49 changes the references to the New Mexico Department of Agriculture to the New Mexico State University Board of Regents and would transmit a copies of the memorial to the Dean of the College of Agriculture and Home Economics at NMSU (rather than the director of the New Mexico Department of Agriculture).

Synopsis of Original Bill

House Memorial 49 notes the value of and current market conditions for industrial hemp. The memorial urges the New Mexico Department of Agriculture (NMDA) prepare a detailed economic analysis of the potential for a legal hemp industry in New Mexico. The study is to include long-term impacts, cost of establishing proper permitting and licensing procedures, an analysis of costs and benefits and consideration of the various market uses of industrial hemp and associated products.

In addition, the memorial urges the United States Congress to recognize the value of industrial hemp as an agricultural commodity, to define industrial hemp in federal law and to acknowledge

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industrial hemp production in improving the nation's balance of trade and in contributing to improvements in global climate change and carbon sequestration.

Copies of the memorial would be sent to the director of the New Mexico Department of Agriculture, the President of the United States, the secretary of the United States Department of Agriculture, the chair of the United States Senate Committee on Agriculture, Nutrition and Forestry, the chair of the United States House of Representatives Committee on Agriculture and the members of the New Mexico congressional delegation.

FISCAL IMPLICATIONS

The memorial does not include an appropriation.

SIGNIFICANT ISSUES

House Memorial 49 proponents make the argument that industrial hemp is a high-value, low-input crop that is not genetically modified, requires no pesticide, can be dry-land farmed, and uses less fertilizer than some other crops.

ADMINISTRATIVE IMPLICATIONS

NMDA notes the Department would incur costs to undertake this study, because the agency does not typically conduct this type of research and does not have expertise in the area of industrial hemp. NMDA would need to engage university partners to produce the study.

AW/nt