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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/13  
 SPONSOR McCamley LAST UPDATED 02/12/13 HM 31/a HTRC  
 SHORT TITLE Study Capital Outlay for Certain Projects SB \_\_\_\_\_  
 ANALYST Crespin-Trujillo

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0.0	\$0.0				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Economic Development Department (EDD)

New Mexico Energy, Minerals and Natural Resources Department (EMNRD)

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of HTRC Amendment

The House Taxation and Revenue Committee amendment to House Memorial 31 (HM 31/a) requests the interim New Mexico Legislative Finance Committee (LFC) to conduct a study of the feasibility of prioritizing a portion of statewide capital outlay project expenditures for economic development projects such as energy, technology, film and value-added agriculture.

#### Synopsis of Bill

House Memorial 31 (HM31) requests the interim New Mexico Legislative Finance Committee (LFC) to conduct a study of the feasibility of setting aside a portion of statewide capital outlay project expenditures for economic development projects in the areas of energy, technology, film and value-added agriculture. The LFC is requested to report its findings to the full legislature by October 1, 2013.

## SIGNIFICANT ISSUES

The LFC staff has conducted several capital outlay program evaluations over the past two years:

- charter school facility lease assistance and capital outlay planning,
- space utilization and impact on capital planning,
- corrective action fund, Santa Fe bikeways, and Mesalands Wind Center and
- J. Paul Taylor Center, Ohkay Owingeh airport improvements, Diné College Shiprock Library, conservation easements, and statewide dam rehabilitations.

Additionally, two recent projects have considered the use of tax expenditures:

- the impact of financing health care through tax code policy and local counties and
- job creation incentives.

Key findings and recommendations from these projects have addressed actions for improving the capital outlay process as well as the state's ability to improve economic development incentives.

The EMNRD states HM31 seeks to find a way to link the legislative capital outlay expenditure process with the state's economic development needs. The agency suggests any study on economic development incentives should also consider tax policy.

The NMDA notes that infrastructure plays a critical component in the development of value-added agriculture. Leveraging the value-added component of agriculture can serve as a driver in the economic growth of the state.

VCT/blm