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FISCAL IMPACT REPORT

SPONSOR Martinez/Ely/Ferrary/ Sweetser **ORIGINAL DATE** _____ **LAST UPDATED** 2/15/17 **HB** 356

SHORT TITLE Promote Resident Business Projects **SB** _____

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$(2,000.0)		\$(2,000.0)	Nonrecurring	Local Economic Development Act Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

This Bill amends Section 5-10-2 NMSA 1978 to add to the purpose of the Local Economic Development Act (LEDA) as promoting local businesses as defined in 1978 NMSA §13-1-22. In addition, this bill directs the New Mexico Economic Development Department (EDD) to allocate \$2,000,000 of previous years LEDA fund allocation towards supporting local resident business projects.

FISCAL IMPLICATIONS

This Bill redirects existing EDD efforts to promote job creation towards supporting local resident

business projects. “Resident business” means a business that has a valid resident business certificate issued by the taxation and revenue department. HB356 has a temporary provision for FY18 stating that the EDD shall expend at least \$2.0 million of money that has been appropriated to the LEDA fund in previous years for the purpose of implementing projects that support resident businesses.

SIGNIFICANT ISSUES

EDD states that the department currently targets supporting local resident business projects, meaning this bill will have no effect on the department’s efforts in this area. The Economic Development Department supports local resident business projects currently through LEDA awards, Job Training Incentive Program (JTIP) awards, and with the Department’s largest contractor, the New Mexico Partnership.

ADMINISTRATIVE IMPLICATIONS

As mentioned above, this bill is requesting the Economic Development Department to focus on efforts that are already being performed by the department.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

POSSIBLE QUESTIONS

JM/al