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## FISCAL IMPACT REPORT

SPONSOR Romero ORIGINAL DATE 02/16/17  
LAST UPDATED \_\_\_\_\_ HB 378

SHORT TITLE Promote NM Agricultural Products SB \_\_\_\_\_

ANALYST Martinez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
N/A	\$200.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Duplicate of SB316.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

HB 378 appropriates \$200,000 from the General Fund to contract with an economic development center in Bernalillo County for business development services related to New Mexico's agricultural products. The Bill proposes the contractor promote: business growth for farms, ranches and food entrepreneurs; support for value added services; market, facility and infrastructure development; local and international trade; and consumer awareness.

### FISCAL IMPLICATIONS

HB 378 appropriates \$200,000 from the general fund to the Economic Development Department to complete an RFP process and contract with a Bernalillo county economic development center.

### SIGNIFICANT ISSUES

The use of the word "promote" on page 1, line 22 is vague as to what will be required of the Bernalillo County economic developer that is awarded \$200,000 of state funds via the Economic Development Department.

The requirements listed in items 1 through 5 involve some duplications of work that are already being performed by other state agencies, creating a significant issue. For example, item 3 states that the economic developer promote market and facility development and improved infrastructure. This requirement is already being performed through the Local Economic Development Act (LEDA) as these funds can be used to expand infrastructure for businesses that qualify.

Another example of duplication is item 4, on page 2, an economic developer in Bernalillo county will promote “instate, e-commerce and international trade of New Mexican food products; and.” The New Mexico Tourism Department currently focuses on promotion of locally made “New Mexico True Certified” products and provides opportunities for local businesses to advertise through the Tourism Department to educate citizens of local products, also creating more opportunity for these products to reach a larger market and in return receive more traffic to websites, brick and mortar locations, events etc.

### **ADMINISTRATIVE IMPLICATIONS**

New Mexico Economic Development Department (EDD) staff will need to complete a contractor selection process and then negotiate and administer a contract including procurement, monitoring, and record keeping. Process would not warrant additional staffing but would impact time available for other efforts.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Duplicate of SB316. Related to HB289, as HB289 amends the Statewide Economic Development Finance Act to explicitly include agricultural enterprises within the definition of economic development goals and to make agriculture enterprises eligible for funding under the Act.

### **ALTERNATIVES**

Provide specified business development assistance through existing EDD, New Mexico Department of Agriculture and/or US Department of Agriculture programs.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Bernalillo County contractor would not receive state funding for this business activity related to NM agricultural products.

JM/sb/jle