F I S C A L   I M P A C T   R E P O R T

	ORIGINAL DATE	2/25/19		
SPONSOR Hochman-Vigil/Dow	**LAST UPDATED**		**HB**	617
SHORT TITLE Space Industry Development			**SB**	
			ANALYST	Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	**FY20**		
	$150.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Responses Received From
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 617 appropriates $150 thousand to the Economic Development Department (EDD) to contract for various services to foster space industry development in New Mexico. The services include development of a marketing strategy for business recruitment, creation of a platform to connect the potential workforce with space industry companies, an internship program, and creation of a public private committee.

FISCAL IMPLICATIONS

The appropriation of $150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

SIGNIFICANT ISSUES

HB617 does not contain any collaboration with the New Mexico Spaceport Authority. The Spaceport Authority is New Mexico's expert on the space industry, it would be most beneficial to include the agency who is already fostering and collaborating with local, national, and international business's regarding space. Appropriating funds to the Economic Development

Department at this time would entail a lot of work from the ground up, if there is not collaboration with the Spaceport Authority.

The Economic Development Department provided the following:

HB617 requests funding to support the space industry, but it does not include the Spaceport.

The Regional Spaceport District Act has a statement of purpose that includes:
- serving the public by providing for the development of a southwest regional spaceport;
- allowing multijurisdictional cooperation in the creation of a southwest regional spaceport;
- providing for the promotion of the southwest regional spaceport; and
- fostering tourism in the cities and counties comprising the district.

The appropriation of HB617 is to EDD, whose overall goal is to create jobs, develop the tax base and provide incentives for business development.

PERFORMANCE IMPLICATIONS

The Economic Development Department provided the following:

- Performance metrics are unclear. A formal report shared with the EDD, the Spaceport Authority, and the interim legislative committee may be helpful.
- The mission of the EDD is to enhance and leverage a competitive environment to create jobs, develop the tax base, and provide incentives for business development. Spaceport America partners with virtual education platforms to connect with science technology engineering and mathematics (STEM) education to the space industry.

ADMINISTRATIVE IMPLICATIONS

The Spaceport Authority consists of twenty-six employees, while EDD employs a single individual in the Science & Technology Office. EDD may have a difficult time providing the amount of dedicated time to this initiative. HB617 does state that EDD can contract with various services. EDD can also contract with their largest economic development partner, the New Mexico Partnership, who can focus on this initiative and collaborate with the New Mexico Spaceport Authority to help effectively produce the results required in HB617.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Spaceport Authority will continue to foster the space industry in New Mexico.

JM/sb