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## FISCAL IMPACT REPORT

SPONSOR Munoz/Sanchez ORIGINAL DATE 2/11/2020  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Cibola and McKinley Economic Development SB 200  
ANALYST Martinez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$50,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 200 appropriates \$50 million from the general fund to the Economic Development Department to provide money for economic development projects in Cibola and McKinley County pursuant to the Local Economic Development Act (LEDA).

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

The appropriation of \$50 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the general fund.

As of January 2020, EDD states that \$67 million is available in the LEDA fund.

**SIGNIFICANT ISSUES**

EDD notes that the Tri-State Generation and Transmission Association recently announced it will shut down its Escalante coal-fired generating station in McKinley County near Grants by the end of 2020, which will eliminate at least 107 plant jobs. SB200 would provide significant additional funding to act as an economic development tool and requires the money to be spent in Cibola and McKinley counties to help offset the job and tax revenue losses anticipated in these counties due to the upcoming closure of the Escalante power plant and the downstream effects the closure may have throughout both counties.

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

The Economic Development Department will continue to support economic development projects through the use of LEDA funding. In FY19, EDD awarded \$33.9 million to 17 projects and created 2,891 jobs.

JM/sb