

LFC Requester:

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**

*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/27/25 *Check all that apply:*  
**Bill Number:** SB158 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b> <u>Senator Benny Shendo</u>	<b>Agency Name and Code:</b> <u>Economic Development Department</u>
<b>Short Title:</b> <u>Reporting of Economic Development Incentives</u>	<b>Number:</b> <u>41900</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act: EDD Performance Measures

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: Senate Bill 158 adds language to the Local Economic Development Act (LEDA) and Development Training statutes outlining certain reporting requirements of the Economic Development Department (EDD) for the LEDA and Job Training Incentive Program (JTIP) programs to the LFC and publication on EDD's website. The bill also requires that the Department of Workforce Solutions provide labor data to LFC upon request.

SB158 creates a new section of the Local Economic Development Act (LEDA), Chapter 5, Article 10 NMSA 1978, requiring EDD to provide an annual report on LEDA projects and an analysis of the effectiveness and cost of the program to the legislative finance committee (LFC). The bill outlines the data points that shall be included in the report, such as the aggregate amount of LEDA funds awarded for all projects as well as project-specific information including company name, amount of LEDA funds awarded, capital investment, number of new jobs to be created, average wage of new jobs, and an economic impact demonstrating return on investment with an explanation of the methodology used to calculate the economic impact.

The bill amends language in Section 9-15-10 NMSA 1978 to compel EDD, upon the written request by the director of the LFC, to provide LFC staff all information, including proprietary and technical information, that has been provided to EDD by any qualifying entity related to an actual relocation or expansion, provided said information is not otherwise protected by a previously executed agreement with EDD. The bill further notes that the LFC is only allowed to request this information to evaluate tax expenditures, and economic development incentives for effectiveness so that they may make recommendations regarding the continuation of the incentives. The bill directs EDD to clearly label confidential information and the staff of the LFC to not reveal such confidential information unless the information is aggregated to at least three businesses.

SB158 also adds a new section to Development Training (JTIP), Chapter 21, Article 19 NMSA 1978, requiring the industrial training board to provide a report to the legislative finance committee (LFC) outlining the company name and location, number of persons trained, average trainee wages, and economic impact demonstrating return on investment with an explanation of the methodology used to calculate the economic impact.

#### **FISCAL IMPLICATIONS**

#### **SIGNIFICANT ISSUES**

EDD is required to report on all of the data points outlined in SB158 per the mandated performance measures in HB2 for EDD. Said data is reported to LFC via the Department's quarterly performance reports and project statistics are posted on EDD's website.

<https://edd.newmexico.gov/community-development/local-economic-development-act/program-results/>

<https://edd.newmexico.gov/business-development/edd-programs-for-business/job-training-incentive-program/program-results/>

Additionally, EDD conducts an annual economic impact analysis for LEDA projects, which is shared with LFC.

The LFC publishes annual data on LEDA and JTIP on their Session Publications, Volumes I, II and III.

[https://www.nmlegis.gov/Entity/LFC/Session\\_Publications](https://www.nmlegis.gov/Entity/LFC/Session_Publications)

HB1 from the 2025 being Laws Chapter 1, 2025 includes \$350 thousand for economic analysis software for the LFC to use for evaluating various economic programs including LEDA and JTIP.

#### **PERFORMANCE IMPLICATIONS**

The requirement to disclose confidential and proprietary information will greatly deter a company's confidence in its protection and will make them wary of working with New Mexico. Consequently, this could lead to fewer expansion and location projects and negatively impact capital investment and job creation in the long-term.

#### **ADMINISTRATIVE IMPLICATIONS**

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

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

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

#### **AMENDMENTS**