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HOUSE JOINT MEMORIAL 54

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

RICK MIERA

A JOINT MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO STUDY THE
EFFECTS OF ECONOMIC DEVELOPMENT PROGRAMS ON THE STATE OF NEW
MEXICO.

WHEREAS, state and local tax revenues continue to fall
short of anticipated proceeds and of state and local government
expenditure needs; and

WHEREAS, reduced state and local government tax revenues
impact the delivery of government services to the communities of
New Mexico; and

WHEREAS, during this same period of government revenue
shortfalls, New Mexico is experiencing exceptional and rapid
growth, which is impacting our resources, our culture and the
affordability and overall quality of the lives of our people;
and

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1 WHEREAS, economic development incentives, such as
2 industrial revenue bonds, the New Mexico investment tax credit
3 and the double-weighted sales factor for corporate income tax
4 calculation, have the effect both of reducing government
5 revenues and of contributing to growth and growth-related
6 problems; and

7 WHEREAS, the benefits of the economic incentives have been
8 restricted almost entirely to transnational world-class
9 corporations while New Mexico-based home-grown companies
10 continue to pay property taxes and pay corporate income taxes at
11 higher effective rates than non-New Mexico-based firms; and

12 WHEREAS, in the case of industrial revenue bonds, small
13 local governments now make decisions, which can seriously impact
14 state revenues with no consideration of the overall impacts on
15 the state, its citizens or on other communities within the state
16 and often with little or no community input or participation;

17 NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE LEGISLATURE
18 OF THE STATE OF NEW MEXICO that the legislative finance
19 committee conduct an in-depth study of the current state
20 economic development incentives and their effect on New Mexico
21 and its resources, residents and cultures with full public
22 participation; and

23 BE IT FURTHER RESOLVED that the legislative finance
24 committee make recommendations to the legislature by December 1,
25 1996 to further the growth of local, home-grown business, to

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1 assure that growth and public participation issues are addressed
2 in all development incentives offered to business and to protect
3 government revenues, our resources and our people; and

4 BE IT FURTHER RESOLVED that copies of this memorial be
5 transmitted to the members of the legislative finance committee.

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State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 8, 1996

Mr. Speaker:

Your RULES AND ORDER OF BUSINESS COMMITTEE, to
whom has been referred

HOUSE JOINT MEMORIAL 54

has had it under consideration and finds same to be
GERMANE in accordance with constitutional provisions.

Respectfully submitted,

Barbara A. Perea Casey,

Chairperson

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

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4 The roll call vote was 9 For 0 Against

5 Yes: 9

6 Excused: Knowles, Lujan, Nicely, Ryan, J. G. Taylor, Wallach

7 Absent: None

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9 HJ054RC1

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