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FISCAL IMPACT REPORT

SPONSOR Cisneros **ORIGINAL DATE** 2/6/15
LAST UPDATED _____ **HB** _____

SHORT TITLE Taos Agricultural-Based Economic Development **SB** 452

ANALYST Clark

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 452 appropriates a total of \$300 thousand from the general fund to the Economic Development Department (EDD) for the purpose of contracting with the Taos County Economic Development Corporation (TCEDC) for \$100 thousand to conduct an assessment of revitalization of agricultural lands to produce high-value crops in Taos County and for \$200 thousand to provide specialized food and agricultural training for displaced workers in Taos County.

FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

SIGNIFICANT ISSUES

With the recent closure of the Chevron mine in Questa and the resulting layoffs, there is a need to look at alternative economic opportunities for the citizens of Taos County, and agriculture

may be able to provide such an opportunity for the area.

EDD reported TCEDC and its co-directors have been successfully working with both agricultural growers and value-added producers through the use of their commercial kitchen, mobile matanza, and training classes for decades and many companies have been formed and jobs created through their efforts. Additionally, a large number of business development groups and programs are working to increase employment in Taos County, particularly after the recent closure of the Questa mine. These groups include Taos TEN, Regional Development Corporation, Los Alamos National Laboratory, New Mexico Small Business Development Center, Chevron Mining, Kit Carson Electric Cooperative, and EDD.

However, EDD noted that because Questa is still working on a strategic plan and the Town of Taos is seeking a planning director, it may be premature to fund this specific agricultural initiative as both targeted industries and methods of recruitment and retention could readily change. Additionally, the agency reports the business development groups working in the region currently provide food and agricultural training, which may be adequate for this effort.

OTHER SUBSTANTIVE ISSUES

The New Mexico Department of Agriculture reported there are currently three farmers' markets in Taos County where locally grown produce can be sold, and the agency provided the following data from the latest (2012) Census of Agriculture for Taos County:

- There are 49 farms (6,065 acres) that are considered “other pasture and grazing land that could have been used for crops without additional improvements”.
- There are 113 farms (3,308 acres) that are considered “cropland idle or used for cover crops or soil improvement, but not harvested and not pastured or grazed”.
- In 2012, there were 14,458 acres of irrigated land.
- In 2012, 94 farms sold their agricultural products directly to individuals for human consumption at a total value of \$293 thousand.

JC/bb/je