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## FISCAL IMPACT REPORT

SPONSOR: Smith DATE TYPED: 01/24/01 HB \_\_\_\_\_  
 SHORT TITLE: Economic Sustainability of the Chile Industry SB 11  
 ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 241.7			Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB140

### SOURCES OF INFORMATION

LFC Files  
 New Mexico State University (NMSU)

No Response  
 Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of Bill

Senate Bill 11 appropriates \$241.7 from the general fund to the Board of Regents of New Mexico State University to help increase the profitable yield of New Mexico chile producers and to support the ongoing economic viability of the New Mexico chile industry by employing additional expertise in agronomic science, agricultural engineering, and agriculture marketing.

#### Significant Issues

According to NMSU, fresh chile imports through the state's two ports of entry with Mexico have increased from 66 metric tons in 1989 to 42,957 metric tons in 1998. In order to regain some of the fresh chile market lost to Mexico, mechanical harvesting and chile new varieties must be developed; crop management practices must be adjusted and a comprehensive economic analysis of production inputs is needed.

### FISCAL IMPLICATIONS

**Senate Bill 11 -- Page 2**

The appropriation of \$241.7 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

**ADMINISTRATIVE IMPLICATIONS**

The NMSU Agricultural Experiment Station and the Cooperative Extension Service currently maintain expertise in agronomic science, agricultural engineering, and agriculture marketing. This appropriation would enhance current capabilities.

**DUPLICATION**

This is a duplicate bill to HB140.

LG/njw