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FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/15

SPONSOR Martinez, J. **LAST UPDATED** _____ **HB** HM 49

SHORT TITLE Cooperative Business Economy Task Force **SB** _____

ANALYST Clark

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal	Minimal		Minimal	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Memorial 49 requests the Economic Development Department (EDD) convene a task force to study methods to foster growth for New Mexico’s cooperative business economy and employee-owned businesses. The task force shall include representatives of worker-owner resource groups and representatives of cooperative business projects and initiatives. The task force is requested to report its findings and recommendations to the appropriate interim committee by October 1, 2015.

FISCAL IMPLICATIONS

There would be a minimal impact to EDD’s operating budget to convene meetings of the proposed task force.

SIGNIFICANT ISSUES

According to *U.S. News and World Report*, the number of worker-owned businesses in the United States is growing at around six percent per year, and these businesses now account for about twelve percent of the private sector workforce. There are a number of cooperatives in New Mexico, including electrical, telecommunication, agricultural, and food distribution cooperatives.

EDD reports it is unsure if the cooperatives and employee-owned businesses in New Mexico would benefit from this study as marketing and financial issues remain essentially the same for all types of organizational structures. Additionally, it could be difficult for the agency to assist the cooperatives, as it focuses generally on assisting manufacturers and service companies that export their goods or services out of the state. This typically does not include electrical, telecommunication, agricultural, and food distribution companies unless it is a business that produces value-added agricultural products for out-of-state markets.

ADMINISTRATIVE IMPLICATIONS

There would be a minimal administrative impact associated with the task force meetings and report.

JC/je