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FISCAL IMPACT REPORT

SPONSOR Trujillo,CA/Candelaria **ORIGINAL DATE** 1/18/17
LAST UPDATED 3/1/17 **HB** 60/aa

SHORT TITLE Broadband Infrastructure Development **SB** _____

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
NFI	NFI	NFI	Local Economic Development Act Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information and Technology (DoIT)
 Economic Development Department (EDD)

SUMMARY

Synopsis of the House Floor Amendment

The House Floor amendment strikes the House Labor and Economic Development Committee’s third amendment and inserts in lieu thereof, “current federal communications commission minimum speed standard.”

This amendment has no fiscal impact on HB60.

Synopsis of the House Labor and Economic Development Committee Amendment

The Labor and Economic Development Committee amendment includes the following, on page 2, line 2, strikes “transmission speeds of a.” On page 2, strikes line 3 completely. Lastly, on page 2, line 4 strikes “megabit per second of upload speed”, and inserts, “current FCC minimum speed requirements.” These amendments have no fiscal impact on HB60.

Synopsis of Bill

This proposed amendment to the Local Economic Development Act amends the definition section to add a definition for “broadband telecommunications network facilities.” The Local Economic Development Act allows localities to establish public-private partnerships for purposes of economic development. This amendment allows broadband telecommunications network facilities to fall under the Local Economic Development Act.

FISCAL IMPLICATIONS

There are no fiscal implications. This bill would allow the Economic Development Department to use Local Economic Development Act (LEDA) Funds to include broadband purposes.

PERFORMANCE IMPLICATIONS

The Economic Development Department can continue to include LEDA awards distributed for broadband purposes in the agency’s current performance measure “Number of jobs created through the use of Local Economic Development Act Funds,” as well as “Number of private sector dollars leveraged by each dollar through the Local Economic Development Act.”

The New Mexico Department of Information Technology (DoIT) Office of Broadband and Geospatial Initiatives (OBGI) purpose is to provide a permanent solution for planning and supporting statewide broadband and geospatial initiatives. The Office focuses on advancing broadband availability, affordability, adoption, and use of technologies, building partnerships with state, local, federal and private entities, and leveraging returns on investments, economies of scale, and sustainability. OBGI’s current initiatives include Broadband for Business (BB4B) and has undertaken several studies to be completed at the end of this fiscal year that could be leveraged and used in informing and making the best decisions for broadband investments in the State.

OTHER SUBSTANTIVE ISSUES

The New Mexico Economic Development Department already considers broadband telecommunications network facilities eligible as infrastructure under the Local Economic Development Act. For example, in 2016 the Local Economic Development Act was utilized for the “installation of IT infrastructure including telecommunications and all necessary support for internet and broadband connectivity” at Wildflower International LLC.

ALTERNATIVES

The alternative is to leave the Local Economic Development Act (5-10-1 to 5-10-13 NMSA 1978) un-amended as the New Mexico Economic Development Department already considers broadband telecommunications network facilities eligible infrastructure under the Local Economic Development Act.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The language in the Local Economic Development Act (5-10-1 to 5-10-13 NMSA 1978) will not be expanded to specify “broadband telecommunications network facilities”.