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FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/2020

SPONSOR Martinez LAST UPDATED HB

SHORT TITLE Development of New Inventions SM 42

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)
Energy, Minerals and Natural Resources (EMNRD)

SUMMARY

Synopsis of Bill

Senate Memorial 42 encourages development of new inventions within the state and support New Mexico's inventors. The Economic Development Department is requested to study methods to encourage inventions and inventors in New Mexico, and the Energy, Minerals, and Natural Resource Department (EMNRD) is requested to contribute to the study and provide input on methods to encourage development of technology to promote the use of renewable energy resources.

FISCAL IMPLICATIONS

No Fiscal Impact.

Current staff at EDD and EMNRD will take on additional duties to meet guidelines provided in SM42.

SIGNIFICANT ISSUES

EDD states that the department is currently performing tasks requested in SM42 including;

- (1) New Mexico Business Startup Grants- \$10 thousand dollar grant awards to high growth potential companies in the following sectors; Renewable Energy, Aerospace, Biosciences, Intelligent Manufacturing.
- (2) New Mexico Small Business Innovation Research Grants- \$25 thousand to \$100 thousand dollar grant awards that match federal funding to provide business development assistance. This covers the costs of intellectual property costs, market research, customer discovery, etc.
- (3) Collateral Assistance Program- Encourages banks and financial institutions to make loans to small businesses in under-served markets. Award amount is up to \$250 thousand dollars.
- (4) State Trade Expansion Program- Funds pay for businesses trade booths and participation in international trade events.

EDD also notes that additional programs exist in the state to assist inventors. These programs include the New Mexico Small Business Assistance Program which offers inventors the opportunity to work with scientists from Los Alamos National Laboratory or Sandia National Laboratory for up to \$20 thousand if the business resides in an urban location or up to \$40 thousand of assistance if the company is located within a rural area.

EMNRD notes that the scope of the requested study is vague. Once the scope of the study is determined, then more accurate administrative and fiscal implications can be understood.

EMNRD also notes that being able to encourage inventors and inventions in New Mexico around renewable energy sources is a laudable goal and could help forward goals around clean energy for the state.

ADMINISTRATIVE IMPLICATIONS

EMNRD notes that the department would be contributing to the study, but until there was more information about the scope of the study being done, it is difficult to estimate staff time and involvement that would be required.

TECHNICAL ISSUES

The findings of the study can be shared with the interim Science, Technology and Telecommunications Committee and the Economic and Rural Development Committee.

JM/sb