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FISCAL IMPACT REPORT

SPONSOR Munoz ORIGINAL DATE 02/10/22
LAST UPDATED _____ HB _____
SHORT TITLE EC Diversification & Climate Resilience Fund SB 122
ANALYST Torres/Faubion

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY22	FY23	FY24		
N/A	N/A	N/A	-	-

(Parenthesis () Indicate Revenue Decreases)

Relates to HB2. Conflicts with SB155.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

This bill creates the economic diversification and climate resilience fund. The new fund would be a non-reverting fund in the state treasury, subject to appropriation by the Legislature, for the purposes of economic diversification and development of key industries within the state, workforce training and development, infrastructure improvements to attract business development, and projects to support conservation and restoration of public lands, forests, watersheds, parks, and trails.

The bill requires any agency that receives an appropriation from the new fund to provide a report on the impact of the appropriation upon request by the Legislative Finance Committee.

There is no effective date on the creation of the fund, therefore it is assumed the fund would be created 90 days after the end of the session. The proposed distributions to the fund would be effective July 1, 2022.

FISCAL IMPLICATIONS

The fund is funded through distributions, appropriations, gifts, grants, and donations to the fund and is not funded through any distributions from recurring or nonrecurring state revenues. There is a \$125 million appropriation for the fund in proposed HB2.

SIGNIFICANT ISSUES

As stated in the bill, money in the fund is subject to appropriation by the Legislature for the following purposes:

- (1) Economic development efforts designed to attract investments and job creation from key sectors, including intelligent manufacturing, aerospace, defense, microelectronics, cybersecurity, biosciences, renewable energy and sustainable agriculture;
- (2) Workforce training and development;
- (3) Public works infrastructure improvements necessary to attract business development and enhance supply chains;
- (4) Projects to support conservation, restoration, remediation, and improvements of public lands, forests, watersheds, parks, and trails; and
- (5) Any other efforts to promote long-term economic growth, diversify the state economy or reduce state revenue reliance on fossil fuel development.

IT/JF/acv