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FISCAL IMPACT REPORT

SPONSOR Lopez **ORIGINAL DATE** 02/01/22 **LAST UPDATED** 02/09/22 **HB** _____
SHORT TITLE ABQ West Central Ave Economic Development **SB** 170
ANALYST Hitzman

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$600.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 170 appropriates \$600 thousand from the general fund to the local government division of the Department of Finance and Administration for the purpose of promoting economic development and revitalization of the west Central avenue corridor in the City of Albuquerque by contracting with a community organization for services to facilitate communication and collaboration with neighborhood and merchant associations.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a nonrecurring expense to the general fund and is intended to be a one-time appropriation to DFA for the purposes specified. However, the intended timeframe for completing the development and revitalization activities is unclear, so it is unclear whether the bill will need to provide support for any ongoing development projects or programs in the area, which would require recurring funding to support. Funding new development projects may create the expectation that appropriations would be made in future fiscal years to support and maintain the revitalization projects, however this ongoing support is not explicitly provided for in this bill. Any unexpended or unencumbered

balance remaining at the end of fiscal year 2023 shall revert to the general fund.

SIGNIFICANT ISSUES

Though the bill provides funding for completing the provisions, the bill does not specify what the revitalization efforts will entail, whether through construction, renovation, or new programs. Further, the bill states that a contract would be executed with, “a community organization” but does not identify an organization.

ADMINISTRATIVE IMPLICATIONS

As noted by DFA, to distribute funding, the local government division would need to enter into a grant agreement with the City of Albuquerque and issue payment reimbursements for valid expenditures. Further, while DFA’s local government division does have subject matter expertise and has knowledge in economic development and revitalization of communities through its federal Community Development Block Grant program, they do not typically work directly with non-profits or merchants. This bill would require the division to provide program assistance which may require additional staff; however, DFA notes that the extent of this need is currently unknown.

JH/al/acv/JH/acv