

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR Hernandez/Lundstrom LAST UPDATED _____
ORIGINAL DATE 2/24/2023
BILL
SHORT TITLE Develop Properties for Industry NUMBER House Bill 416
ANALYST Dick-Peddie

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$1,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)
Economic Development Department (EDD)

SUMMARY

Synopsis of House Bill 416

House Bill 416 appropriates \$1 million from the general fund to the Economic Development Department for the purpose of developing industry properties, including contracting with local economic development organizations to conduct gap analysis on site readiness.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund.

The specific appropriation contained in the bill is not included in the HAFC substitute for House Bill 2. The Legislature appropriated \$70 million for the Opportunity Enterprise Act fund during the 2022 regular legislative session. The fund, managed by NMFA, is for business space development. Parts of the proposed legislation may be eligible for Opportunity Enterprise Act funding.

SIGNIFICANT ISSUES

The Economic Development Department notes that the analysis prescribed in the bill would be “extremely valuable” to the state as well as local communities. The analysis could help communities more effectively prioritize capital project infrastructure priorities and make local site more marketable to both local economic development organizations and the Economic Development Department.

ADP/al/ne