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## FISCAL IMPACT REPORT

SPONSOR:	Gubbels	DATE TYPED:	02/05/00	HB	388
SHORT TITLE:	Study Industrial Hemp as a Commercial Crop			SB	
				ANALYST:	Pacheco-Perez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 50.0			Rec	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Commission on Higher Education (CHE)

New Mexico Department of Agriculture (NMDA)

### SUMMARY

Synopsis of Bill

This bill appropriates \$50.0 from the general fund to the Board of Regents of the New Mexico State University (NMSU) College of Agriculture to conduct research on the feasibility of growing industrial hemp as a commercial crop and to establish a pilot test program. Findings and recommendations shall be reported to the Legislature by November 2001.

**FISCAL IMPLICATIONS**

The appropriation of \$50.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY01 shall revert to the general fund.

**OTHER SUBSTANTIVE ISSUES**

According to the NMDA, hemp has over 50,000 commercial applications including paper, textiles, rope, plastics, and construction materials. Specialty crops and niche markets are important for continued agricultural growth and especially significant to small scale growers in New Mexico.

The CHE recommends that the following language be included for all new recurring higher education programs: "A plan for a program evaluation, including specific program goals and criteria for assessing program effectiveness shall be submitted to the LFC and the CHE by October 1, 2000. An assessment of the program will be completed prior to June 30, 2001 and submitted to the LFC and the CHE."

APP/sb