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FISCAL IMPACT REPORT

SPONSOR Madalena DATE TYPED 01/26/05 HB 222

SHORT TITLE State Loans to Indian Nations SB _____

ANALYST Ford

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)
Department of Indian Affairs (DIA)
Tourism Department

SUMMARY

Synopsis of Bill

House Bill 222 would include the governments of Indian nations, Tribes and Pueblos among those eligible to receive low-interest loans from the economic development department (EDD)

Significant Issues

Under current law, the economic development department provides low-interest loans to local governments so they can construct or implement projects necessary to provide services that will encourage the location of industry in that jurisdiction. However, the governments of Indian nations, Tribes and Pueblos are not eligible to receive the loans.

PERFORMANCE IMPLICATIONS

The EDD has a number of performance measures related to job creation, business development, expansion and relocation. This measure could help the department improve its performance measures through the creation of business opportunities in Indian country.

FISCAL IMPLICATIONS

According to EDD, there will be no additional costs to include the governments of Indian nations, Tribes and Pueblos in the statute.

TECHNICAL ISSUES

DIA notes that the term “Indian Country” should be defined consistently with the definition set forth in 18 U.S.C. Section 1151. DIA also notes that the terms “Tribe” and “Pueblo” should be capitalized throughout the bill.

OTHER SUBSTANTIVE ISSUES

According to DIA, the unemployment rate in Indian country in New Mexico is substantially higher than the rest of the state. Many Indian communities lack basic infrastructure, such as water, power and communication systems, which leads to a lowering standard of living and hampers economic development efforts.

EF/lg