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FISCAL IMPACT REPORT

SPONSOR Salazar DATE TYPED 2/21/05 HB 881

SHORT TITLE Espanola Valley Economic Development Plan SB _____

ANALYST Hadwiger

APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$25.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB753.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 881 appropriates \$25 thousand from the general fund to the Department of Finance and Administration (DFA) in FY06 to contract for services to develop an economic development master plan for the Espanola Valley in Rio Arriba and Santa Fe Counties, including San Juan Pueblo and Santa Clara Pueblo.

Significant Issues

The city of Espanola is experiencing an increase in growth. This bill would provide assistance in developing a master plan to accommodate the anticipated expansion. According to DFA, Espanola City Counselor Joe M. Maestas states that the funding will address the current and future economic development issues and help establish a marketing, tourism and business growth strategic plan.

DFA notes that each community is categorized into three different groups. Espanola meets the

criteria for Tier 1, the most critical, which indicates that the communities do not have the complete physical infrastructure they need to adequately support business development.

The strategic plan is a four step process in which each issue is addressed:

Strategy I: Invest innovation - prepare NM communities to try new ideas and venture into areas that have not been part of traditional economy

Strategy II: Invest in people - enhance job skills with education, training, and workforce development

Strategy III: Invest in infrastructure - communities ability to support new business and sustain existing industry

Strategy IV: Responsive Government - support the efforts of the local communities to improve the economy

FISCAL IMPLICATIONS

The appropriation of \$25 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB881 almost duplicates SB753—both bills include the same appropriation amount and general purpose.

DH/rs