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## FISCAL IMPACT REPORT

SPONSOR Madelena ORIGINAL DATE 02/04/07  
LAST UPDATED \_\_\_\_\_ HB 422  
SHORT TITLE Native American Economic Development SB \_\_\_\_\_  
ANALYST Weber

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$350.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Indian Affairs Department (IAD)

New Mexico Economic Development Department (NMEDD)

### SUMMARY

#### Synopsis of Bill

House Bill 422 appropriates \$350 thousand from the general fund to the Human Services Department to fund increased Native American economic development activities.

### FISCAL IMPLICATIONS

The appropriation of \$350 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall revert to the general fund.

### SIGNIFICANT ISSUES

The Indian Affairs Department indicates:

The bill supports an initiative led by the New Mexico Economic Development Department (NMEDD) and the American Indian Chamber of Commerce of New Mexico (AICCNM). Together, these entities are working to implement a number of economic development projects in tribal communities.

Additionally, the proposed initiative includes a tribal economic development summit and, among other issues, a comprehensive assessment of tribal infrastructure and economic development needs of the twenty-two Indian Tribes, Nations and Pueblos in New Mexico.

The appropriation request may also help support one contractor to assist the entities to implement the proposed projects. The NM Indian Affairs Department would assist NMEDD and the AICCNM to achieve the goal of increasing Native American economic development initiatives in tribal communities.

According to the 2002 National Summit on Emerging Tribal Economies, published in the New Mexico Business Weekly on September 20, 2002, more than 1,300 tribal business leaders, state and federal agencies, and corporations adopted the goal to create an additional 100,000 new jobs by 2008.

According to the 2000 Census, there are more than 197,300 Native owned businesses employing nearly 300,000 people across the country. In New Mexico, there are over 6,800 Native American owned businesses. Unfortunately, according to Native American business owner and chairman of the American Indian Chamber of Commerce of New Mexico, David Melton, “New Mexico tribes struggle with diversifying and developing their economies...because there is a lack of business sites on Indian reservations.”

The unemployment rate for Native Americans is 22% for non-gaming tribes and 15% for gaming tribes (Harvard Project on American Indian Economic Development: A Databook of Socio-Economic Change between the 1990 and 2000 Censuses).

## **TECHNICAL ISSUES**

Indian Affairs notes that since an initiative and partnership has already been begun and between NMEDD and AICCNM, it might be more appropriate to appropriate these monies to NMEDD.

MW/csd