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## FISCAL IMPACT REPORT

SPONSOR Diamond LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/15/23  
SHORT TITLE Chile Marketing & Promotion Program BILL NUMBER Senate Bill 365  
ANALYST Jorgensen/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 version of this legislation.

### Sources of Information

LFC Files

#### Responses Received From

Higher Education Department (HED)

Tourism Department

New Mexico State University (NMSU)

## SUMMARY

### Synopsis of Senate Bill 365

Senate Bill 365 appropriates \$1 million from the general fund to the College of Agricultural, Consumer, and Environmental Sciences at New Mexico State University for the purpose of conducting a statewide chile marketing and promotional program in collaboration with growers, processors, manufactures, and others involved in New Mexico's chile industry.

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.

## 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.

## **SIGNIFICANT ISSUES**

NMSU reports that New Mexico chile pepper production is ranked number one in the nation and contributed an economic value of \$44,907.0, or 6 percent of the state's crop cash receipts. Chile production totaled 44,907 tons, down 11 percent from 2020. Producers harvested 8,500 acres, up 300 acres from the previous year and 91 percent of the crop was sold for processing, while 9 percent was sold for fresh market.

The Tourism Department reports:

Chile is an important cultural and culinary export in New Mexico, and serves as an easily-identifiable tourism product. Through extensive research, the tourism department has found that cultural assets—including New Mexico's unique cuisine—serve as the main point of differentiation between us and our competitive set of states. Overnight visitors to New Mexico report attending cultural activities in 48 percent of visits, a full 19 points higher than the rest of the nation. Additionally, 50 percent of overnight visitors report seeking out unique and local food while in New Mexico, 10 points higher than the national average.

The marketing campaign would highlight the natural advantage New Mexico holds in chile production, especially over Colorado.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB365 is related to Senate Bill 188 which establishes the official state aroma of New Mexico as the smell of green chile roasting in the fall.

CJ/rl/ne