

A MEMORIAL

REQUESTING A COMPREHENSIVE ASSESSMENT OF THE FISCAL IMPACTS ON CITIES AND COUNTIES IN THE LOS ALAMOS NATIONAL LABORATORY'S EMPLOYMENT BASE AREA RESULTING FROM THE CHANGED TAX STATUS OF THE LABORATORY'S NEW CONTRACT AND REQUESTING THAT A COMPREHENSIVE ECONOMIC DEVELOPMENT PLAN BE DEVELOPED FOR THE LOS ALAMOS NATIONAL LABORATORY'S EMPLOYMENT BASE AREA.

WHEREAS, Los Alamos national laboratory was established over sixty-three years ago; and

WHEREAS, Los Alamos national laboratory's budget of more than two billion dollars (\$2,000,000,000) creates a significant, regional economic engine; and

WHEREAS, Los Alamos national laboratory's total work force of approximately fifteen thousand makes it the largest employer in northern New Mexico; and

WHEREAS, Los Alamos national laboratory provides employment for New Mexicans from many counties, including Los Alamos, Rio Arriba, Sandoval, Bernalillo and Taos; and

WHEREAS, the United States, through its agencies, has "recompeted" the contract for operation of Los Alamos national laboratory, and the new contract took effect on June 1, 2006; and

WHEREAS, the new contract caused a change in the taxable status of Los Alamos national laboratory's operations; and

WHEREAS, the change in tax status has had an enormous fiscal impact on Los Alamos national laboratory, including a budget deficit, reductions in work force and other changes that adversely impact the people and economy of north central New Mexico; and

WHEREAS, the new taxable status requires that Los Alamos national laboratory pay gross receipts taxes in an amount equal to approximately forty million dollars (\$40,000,000) to Los Alamos county and fifty million dollars (\$50,000,000) to the state of New Mexico; and

WHEREAS, the state of New Mexico has not assessed the fiscal impact on cities and counties within Los Alamos national laboratory's employment base area; and

WHEREAS, the regional economy in the Los Alamos national laboratory's employment base area continues to experience extreme dependency on laboratory funding, remains vulnerable to past, present and future laboratory job cuts and lacks significant investment needed to build a new, sustainable economy;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the state of New Mexico, through its appropriate agencies, immediately conduct a comprehensive assessment of fiscal impacts on cities and counties in Los Alamos national laboratory's employment base area resulting from the changed tax status of the

laboratory's new contract and that the state conduct a comprehensive economic development plan for that area.