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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/28/19

SPONSOR Lopez LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Evaluate Santolina Development Impacts SB 482

ANALYST Hawker

### APPROPRIATION (dollars in thousands)

Appropriation					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
	\$100.0				Nonrecurring	General Fund

Parenthesis ( ) indicate expenditure decreases

Relates to Appropriation in the General Appropriation Act: the University of New Mexico receives an appropriation of \$360,200 for Geospatial and Population Studies/Bureau of Business and Economic Research in section 4 of HB 2/HAFCS.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico (UNM)  
Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 482 appropriates \$100 thousand from the general fund to UNM for the Bureau of Business and Economic Research (BBER) to evaluate the fiscal impact on state and local governments of the proposed Santolina development.

“Fiscal impact” in SB 482 means the impact on a governmental entity by virtue of the governmental entity making a payment of anything of value to a private entity or promising to make a payment of anything of value to a private entity or forgiving a tax or other liability owed to the governmental entity by a private entity or promising to forgive a tax or other liability owed to the governmental entity by the private entity.

The BBER evaluation is to include all past, present and reasonably foreseeable future fiscal impacts of the proposed Santolina development in Bernalillo County on:

- New Mexico state government,
- Albuquerque city government,
- the Albuquerque Metropolitan Arroyo Flood Control Authority,
- the Albuquerque Public School District,
- the Albuquerque-Bernalillo County Water Utility Authority,
- Bernalillo County government.

The evaluation shall analyze the impact in regard to system infrastructure, project infrastructure, utilities, schools and other public facilities and the associated infrastructure.

BBER shall present its report to the interim legislative committees tasked with studying economic development and water issues. The report shall be made available to the public.

### **FISCAL IMPLICATIONS**

The appropriation of \$100 thousand contained in this bill is a nonrecurring expense to the general fund.

Higher education institutions in New Mexico do not revert unexpended funding back to the state's general fund.

### **SIGNIFICANT ISSUES**

UNM observes any economic and fiscal analysis necessarily rests on a number of assumptions. BBER will include complete documentation of data sources, assumptions and analytical methodologies to ensure transparency.

EDD notes the Santolina project has been controversial with concerns expressed that the water needed for the development will affect Albuquerque and Bernalillo County due to draught conditions. EDD also points out concerns have been expressed about the impact of the development of schools, traffic, police, fire and other services.

### **TECHNICAL ISSUES**

This bill does not provide a date by which the report is to be presented to the appropriate legislative committee.

### **OTHER SUBSTANTIVE ISSUES**

Impact DataSource using data and information on the Santolina development provided by the developer, local tax information and other rates, estimates, and assumptions calculated an economic impact from the development and the costs and benefits for Bernalillo County over the first 50 years of construction and operations.