



Interim Legislative Updates

Legislative Finance Committee Estimates Record Revenues

Last week the Legislative Finance Committee and the Revenue Stabilization and Tax Policy Committee jointly met in Red River to hear a presentation on the [Consensus General Fund Revenue Outlook](#).

The Consensus Revenue Estimating Group (comprised of the Department of Finance and Administration, Taxation and Revenue Department, Department of Transportation and the Legislative Finance Committee) presented to the interim committee that New Mexico will have an estimated **\$907 million in "new" money available in the coming budget year**, which starts next July. This would bring New Mexico's revenues to an all-time high of nearly \$8 billion for fiscal year 2021.

The increased revenue is primarily due to unprecedented oil production and economic growth in southeastern New Mexico. The presentation stated, "southeastern New Mexico has continued massive oil production growth setting new record levels for rig counts, production, oil generated revenues."

Additionally, the presentation included other economic highlights. New Mexico non-farm jobs have grown 2.4 percent from July 2018 to July 2019, which represents a growth of 19,800 jobs in the state. The New Mexico GDP increased 4.6 percent from 2018Q4 to 2019Q1, which is the third highest in the nation. New Mexico construction employment is at the highest levels in over a decade.

The Consensus Revenue Estimating Group revenue forecast did not incorporate a near term national recession, but the presentation stated "the probability of a recession in FY2020/FY2021 has increased and is a concern."

You can access the Consensus General Fund Revenue Outlook [here](#).

Economic Development Department Presents to Economic & Rural Development Committee

In mid-August, Economic Development Department Secretary Alicia Keyes, Deputy Secretary Jon Clark, and Division Director Mark Roper jointly presented to the Economic and Rural Development Committee.

During the presentation, four primary objectives for the Department were outlined: Increase wealth creation, improve economic opportunities for New Mexicans, focus on rural communities, and diversify the economy.

The presenters gave legislators an overview of the Local Economic Development Act (LEDA) and stated that "rural areas have unique issues, many rural areas are struggling, and we should use different metrics for these projects." They also mentioned that the Department "is looking at potential statutory changes (to LEDA and other programs) to improve [the Department's] ability to assist rural areas and help projects that could have large, catalytic changes in these communities."

The Department also announced that the creation of a [Rural Infrastructure Fund](#) would be a 2020 legislative priority. According to the presentation slide, the Department would request a "one-time special appropriation" and "the fund will exist within the LEDA statute but with different parameters to increase flexibility." Specifics regarding the fund are still being developed.

You can access the Economic Development Department presentation [here](#).

New Mexico Opportunity Zone Forum

Last week the New Mexico Economic Development Department hosted the first New Mexico Opportunity Zone Forum in Albuquerque. The purpose of the forum was to educate communities and economic developers about opportunity zones, project development with opportunity zones, leverage funding sources in an opportunity zone, and promoting your opportunity zone.

You can find the following materials and presentations from the Opportunity Zone Forum below.

- Access all the presentations from the forum [here](#)
- Access the news announcing the state's opportunity zone incentives [here](#)
- Signup to receive the Department's Opportunity Zone email [here](#)
- Visit the Department's Opportunity Zone website [here](#)
- Information about the tax benefits of investing in an Opportunity Zone [here](#)