Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

# FISCAL IMPACT REPORT

		LAST UPDATED		
SPONSOR Campos		ORIGINAL DATE	2/13/25	
		BILL	Senate Joint	
SHORT TITLE	Frontier Areas Task Force	NUMBER	Memorial 2	
		ANALYST	Hilla	

#### **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\***

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DFA	No fiscal impact	UD to \$100 0	No fiscal impact	TID to \$100 0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

#### Sources of Information

LFC Files

Agency Analysis Received From Indian Affairs Department (IAD) Office of the State Engineer (OSE)

Agency Analysis was Solicited but Not Received From Department of Finance and Administration (DFA) Office of the Governor (GOV) New Mexico Department of Environment (NMED) Department of Transportatioon (DOT) Acequia Commission (ACE) Department of Cultural Affairs (DCA)

# **SUMMARY**

## Synopsis of Senate Joint Memorial 2

Senate Joint Memorial 2 (SJM2) requests the governor appoint a task force to study the needs of frontier areas, meaning unincorporated areas of a county that are sparsely populated and isolated from larger population centers and services, including rural communities. The task force would assess government service levels and infrastructure and resource availability in frontier areas and study how state statute might be modified to assist frontier areas in the provision of infrastructure and the establishment of community-operated infrastructure networks. SJM2 also charges the task force with assessing ways to strengthen frontier areas through financial investment and ways to provide incentives for frontier areas willing to establish community-operated infrastructure networks. The task force is to update legislative committees regularly, with reports with findings and recommendations to be submitted by November 1, 2025. Members of the task force to be appointed by the governor are as follows:

<sup>\*</sup>Amounts reflect most recent analysis of this legislation.

### Senate Joint Memorial 2 – Page 2

- The Local Government and Infrastructure Planning and Development Divisions at the Department of Finance and Administration;
- The New Mexico Environment Department;
- The Economic Development Department;
- The Department of Information Technology;
- The Indian Affairs Department;
- The Department of Transportation;
- The Acequia Commission;
- Community representatives of frontier areas;
- Representatives from councils of governments; and
- Any other state agencies and service providers the governor may deem necessary.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

# FISCAL IMPLICATIONS

This fiscal analysis assumed a one-time cost of up to \$100 thousand for the task force conduct a feasibility study. Feasibility studies typically cost less than \$100 thousand. The analysis assumes this cost of the feasibility study would fall on the Department of Finance and Administration due to its current operations dealing with frontier areas and local governments.

# SIGNIFICANT ISSUES

The Indian Affairs Department (IAD) states that the definition of frontier areas as areas sparsely populated, rural, and unincorporated regions is unclear regarding Indian nations, pueblos, and tribes.

# **ADMINISTRATIVE IMPLICATIONS**

All agencies with appointed members need to have the capacity to assign members to sit on the task force.

EH/hj/SL2