

HOUSE JOINT MEMORIAL 47

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THAT THE NEW MEXICO LEGISLATIVE COUNCIL CREATE A TASK FORCE TO STUDY PUBLIC-PRIVATE PARTNERSHIPS IN OTHER STATES AND DETERMINE IF SUCH PARTNERSHIPS WOULD BE BENEFICIAL TO NEW MEXICO AND HOW SUCH PARTNERSHIPS MIGHT WORK BEST FOR NEW MEXICO.

WHEREAS, as states are increasingly challenged to improve outdated infrastructure and build new infrastructure to meet the demands of the modern economy, they must consider new sources of capital investment; and

WHEREAS, in the current anti-tax environment, federal, state and local governments have looked to public-private partnerships as a mechanism to provide needed capital financing for public projects; and

WHEREAS, governments have been lured by the siren song of
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1 public project financing without having to raise taxes or
2 displace funding for other vital services; and

3 WHEREAS, P3s, as public-private partnerships are called,
4 have had both phenomenal successes and dismal failures for the
5 governments that have entered into P3 agreements and for the
6 taxpayers and citizens who pay for them, both monetarily and
7 socioeconomically; and

8 WHEREAS, New Mexico needs to look at those successes and
9 failures before considering its own legislation to allow P3
10 agreements; and

11 WHEREAS, central to the issue of P3s are the questions of
12 who should provide public services and who should own public
13 property; and

14 WHEREAS, the privatization of public services was a
15 contentious debate in the late 1990s among New Mexico
16 legislators and other policymakers in the state, and P3s raise
17 those concerns once again, as well as concerns over asset
18 privatization; and

19 WHEREAS, in addition to these considerations, New Mexico
20 policymakers need a public conversation about what kinds of
21 projects would be appropriate for this sparsely populated but
22 geographically large state and whether the state can attract
23 significant capital investment; and

24 WHEREAS, it is essential that New Mexico policymakers
25 develop a long-range plan that includes realistic goals of

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1 where the state should be in five, ten and twenty years in
2 terms of economic drivers, focused expertise in education and
3 employment, environmental protection, dedication of scarce
4 water resources and quality of life for New Mexico residents,
5 as well as realistic, focused strategies to reach those goals;
6 and

7 WHEREAS, without a long-range plan, it will be difficult,
8 if not impossible, to attract the kinds of private capital
9 investment that will ensure that all New Mexicans benefit from
10 public-private partnerships or to properly evaluate proposals
11 that do come to the state or local governments from private
12 investors;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the New Mexico legislative council
15 create a task force to study and evaluate the laws concerning
16 public-private partnerships in other states, as well as
17 existing P3 projects, and determine if such partnerships would
18 be beneficial to the state of New Mexico; and

19 BE IT FURTHER RESOLVED that the task force examine, in
20 regard to legislation and public-private partnerships in other
21 states, such issues as transparency; trade secrets and
22 confidentiality; best value for taxpayers; comparisons with
23 traditional capital outlay and bonding financing methods; full-
24 cost assessments; the application of triple bottom line
25 accounting principles; job creation and displacement, including

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1 evaluation of job benefits and salaries; environmental impacts;
2 revenue sources; effects on local business; contract and
3 employee hiring; private company profits; non-compete clauses;
4 procurement methods; public input and oversight; legislative
5 input and oversight; eminent domain; and best and worst
6 practices in each of these areas; and

7 BE IT FURTHER RESOLVED that the task force be composed of
8 the following members appointed by the New Mexico legislative
9 council:

10 A. six members from each house of the legislature;

11 B. one member from a labor union in the state that
12 represents primarily private-sector employees;

13 C. one member from a labor union in the state that
14 represents primarily public-sector employees;

15 D. one member from the business community in the
16 state;

17 E. one member who represents an environmental
18 organization;

19 F. one member who represents local governments;

20 G. one member from an organization with a primary
21 mission of good government, transparency or other public
22 interest goals; and

23 H. the following members who may serve in person or
24 through a designee:

25 (1) the secretary of economic development;

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- 1 (2) the attorney general;
- 2 (3) the state treasurer;
- 3 (4) the state auditor; and
- 4 (5) the director of the bureau of business and
- 5 economic research at the university of New Mexico; and

6 BE IT FURTHER RESOLVED that the task force develop a work
7 plan and budget for the New Mexico legislative council's
8 approval prior to July 1, 2013; and

9 BE IT FURTHER RESOLVED that the task force report its
10 recommendations and findings to the relevant legislative
11 interim committees that deal with finance, water and natural
12 resources, revenue stabilization and tax policy and economic
13 and rural development by November 1, 2013; and

14 BE IT FURTHER RESOLVED that copies of this memorial be
15 transmitted to the New Mexico legislative council, the
16 governor, the secretary of economic development, the attorney
17 general, the state treasurer, the director of the bureau of
18 business and economic research at the university of New Mexico,
19 the executive director of the New Mexico municipal league and
20 the executive director of the New Mexico association of
21 counties.