

HOUSE BILL 188

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Angelica Rubio and Kristina Ortez and Linda Serrato and
Anthony Allison and D. Wonda Johnson

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO STATE GOVERNMENT; CREATING THE ECONOMIC TRANSITION DIVISION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT; EXPANDING THE MEMBERSHIP OF THE SUSTAINABLE ECONOMY ADVISORY COUNCIL; ENACTING THE ECONOMIC TRANSITION ACT; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 9-15-4 NMSA 1978 (being Laws 1983, Chapter 297, Section 4, as amended) is amended to read:

"9-15-4. DEPARTMENT ESTABLISHED.--There is created in the

.223499.6AIC February 3, 2023 (4:36pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

underscoring material = new
[bracketed material] = delete
Amendments: new = bold, blue, highlight
delete = bold, red, highlight, strikethrough

executive branch the "economic development department". The department shall be a cabinet department and shall consist of, but not be limited to, [~~six~~] seven divisions as follows:

- A. the administrative services division;
- B. the economic development division;
- C. the New Mexico film division;
- D. the technology enterprise division;
- E. the trade and Mexican affairs division; [~~and~~]
- F. the New Mexico outdoor recreation division; and
- G. the economic transition division."

SECTION 2. Section 9-15-58 NMSA 1978 (being Laws 2021, Chapter 42, Section 1) is amended to read:

"9-15-58. SUSTAINABLE ECONOMY TASK FORCE--CREATED--
STAFF.--

A. The "sustainable economy task force" is created and is administratively attached to the economic development department. The task force consists of the following voting members as follows:

- (1) the commissioner of public lands or the commissioner's designee;
- (2) the secretary of economic development or the secretary's designee;
- (3) the secretary of finance and administration or the secretary's designee;
- (4) the secretary of taxation and revenue or

.223499.6AIC February 3, 2023 (4:36pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

the secretary's designee;

(5) the secretary of energy, minerals and natural resources or the secretary's designee;

(6) the secretary of Indian affairs or the secretary's designee;

(7) the secretary of workforce solutions or the secretary's designee;

(8) the secretary of general services or the secretary's designee;

(9) the secretary of higher education or the secretary's designee;

(10) the secretary of public education or the secretary's designee;

(11) the secretary of environment or the secretary's designee;

(12) the state investment officer or the state investment officer's designee; and

(13) the chair of the sustainable economy advisory council.

B. The chair of the task force shall be the secretary of economic development or the secretary's designee, and the vice chair of the task force shall be the member serving as the chair of the sustainable economy advisory council. The task force shall meet at the call of the chair.

C. The "sustainable economy advisory council" is

.223499.6AIC February 3, 2023 (4:36pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

created and is administratively attached to the economic development department. The advisory council shall advise the sustainable economy task force and the director of the economic transition division of the department on developing and achieving the goals of the strategic plan provided in Section ~~[2 of this 2021 act]~~ 9-15-59 NMSA 1978. The advisory council shall consist of the following members:

(1) one representative of local governments, appointed by the chair of the task force;

(2) ~~[two]~~ three representatives of disproportionately impacted communities or organizations with experience working with disproportionately impacted communities, appointed by the chair of the task force;

(3) two representatives of organizations with experience in sustainable economic development planning and workforce development, appointed by the chair of the task force;

(4) one representative from industry and business sectors involved in achieving or that may be affected by the goals of the sustainable economy task force, appointed by the chair of the task force; ~~[and]~~

(5) eight representatives of tribal governments or entities, appointed by the Indian affairs department;

(6) one representative of organizations that

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

operate HGEIC→registered←HGEIC apprenticeship programs,
appointed by the chair of the task force in consultation with
the current members of the task force;

(7) two representatives of worker
organizations representing workers in communities in transition
as defined in Paragraph (1) of Subsection B of Section 3 of
this 2023 act, appointed by the chair of the task force in
consultation with the current members of the task force; and

(8) two representatives of higher education
workforce development programs, appointed by the chair of the
task force in consultation with the current members of the task
force.

D. The chair of the advisory council shall be
elected by the members of the advisory council.

E. Members of the task force and advisory council
may receive per diem and mileage pursuant to the Per Diem and
Mileage Act.

F. The economic development department shall
provide the necessary staff and administrative support to the
task force.

G. As used in this section, "disproportionately
impacted community" means a community or population of people
for which multiple burdens, including environmental and
socioeconomic stressors, inequity, poverty, high unemployment,
pollution or discrimination, may act to persistently and

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

negatively affect the health, well-being and environment of the community or population and includes tribal communities, communities of color and low-income rural communities and native people, people of color, women, immigrants, youth, formerly incarcerated people, lesbian, gay, bisexual, transgender and queer people and people with disabilities."

SECTION 3. A new section of the Economic Development Department Act is enacted to read:

"[NEW MATERIAL] ECONOMIC TRANSITION DIVISION--DUTIES.--

A. The economic transition division of the department shall:

(1) provide programmatic support to fulfill recommendations of the sustainable economy task force for communities in transition and workers in transition and implement the recommendations of the New Mexico clean energy workforce development study commissioned by the workforce solutions department and published in June 2020;

(2) support the economic transition of disproportionately impacted communities, communities in transition and workers in transition from natural resource extraction industries;

(3) identify public and private funding sources to support disproportionately impacted communities, communities in transition and workers in transition;

(4) coordinate state agencies and coordinate

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

with the federal government in the economic transition of disproportionately impacted communities, communities in transition and workers in transition;

(5) provide administrative, logistical, research and policy support to the sustainable economy task force and the sustainable economy advisory council;

(6) administer the economic transition fund and provide grants, loans and other financial assistance for economic transition projects and eligible entities to support disproportionately impacted communities, communities in transition and workers in transition;

(7) provide technical assistance to disproportionately impacted communities and communities in transition to identify funding streams; and

(8) receive and report on state, federal and other funding.

B. As used in this section:

(1) "community in transition" means a municipality, county, region or Indian nation, tribe or pueblo that faces historic, current or future significant economic disruption due to the transition from dependency on or market fluctuations in natural resource extractive industries

HGEIC → or the closing of an electric generation facility ← HGEIC ;

(2) "disproportionately impacted community"

underscored material = new

[bracketed material] = delete

Amendments: new = →bold, blue, highlight↔

delete = →bold, red, highlight, strikethrough↔

means a community or population of people for which multiple burdens, including environmental and socioeconomic stressors, inequity, poverty, high unemployment, pollution or discrimination, may act to persistently and negatively affect the health, well-being and environment of the community or population and includes tribal communities, communities of color and low-income rural communities and native people, people of color, women, immigrants, youth, formerly incarcerated people, lesbian, gay, bisexual, transgender and queer people and people with disabilities;

(3) "economic transition" means the economic, social, health and environmental conditions of workers and communities that are impacted by significant job loss or the loss of one or more industries on which a community depends;

(4) "economic transition project" means a project that improves the physical and social infrastructure of communities in transition, provides support to workers in transition, ensures health and safety standards in fossil fuel and emerging industries or promotes economic and workforce development opportunities in non-extractive industries;

(5) "eligible entity" means a county, municipality or other political subdivision of the state; an Indian nation, tribe or pueblo or tribal entity; a state agency; an apprenticeship program registered with the state of New Mexico or the United States department of labor; HGEIC→a

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

pre-apprenticeship program; an integrated education and training program; ←HGEIC

a public post-secondary educational institution; or a public or private nonprofit organization or association; and

(6) "worker in transition" means an individual who has lost or is likely to lose work, employment or income due to changes in market fluctuations, industry downsizing or the phaseout of an extractive industry."

SECTION 4. [NEW MATERIAL] SHORT TITLE.--Sections 4 through 7 of this act may be cited as the "Economic Transition Act".

SECTION 5. [NEW MATERIAL] DEFINITIONS.--As used in the Economic Transition Act:

A. "community in transition" means a municipality, county, region or Indian nation, tribe or pueblo that faces historic, current or future significant economic disruption due to the transition from dependency on natural resource extractive industries HGEIC → or the closing of an electric generation facility ←HGEIC ;

B. "department" means the economic development department;

C. "disproportionately impacted community" means a community or population of people for which multiple burdens, including environmental and socioeconomic stressors, inequity,

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

poverty, high unemployment, pollution or discrimination, may act to persistently and negatively affect the health, well-being and environment of the community or population and includes tribal communities, communities of color and low-income rural communities and native people, people of color, women, immigrants, youth, formerly incarcerated people, lesbian, gay, bisexual, transgender and queer people and people with disabilities;

D. "division" means the economic transition division of the department;

E. "economic transition" means the economic, social, health and environmental conditions of workers and communities that are impacted by significant job loss or the loss of one or more industries on which a community depends;

F. "eligible entity" means a county, municipality or other political subdivision of the state; a state agency; an Indian nation, tribe or pueblo or tribal entity; an apprenticeship program registered with the state of New Mexico or the United States department of labor; a public post-secondary educational institution; or a public or private nonprofit organization or association;

G. "Indian nation, tribe or pueblo" means a federally recognized Indian nation, tribe or pueblo located wholly or partially in New Mexico;

H. "secretary" means the secretary of economic

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight↔
delete = →bold, red, highlight, strikethrough↔

development;

I. "tribal entity" means an enterprise, a nonprofit entity or organization or a political subdivision formed under the inherent sovereignty of an Indian nation, tribe or pueblo; and

J. "worker in transition" means an individual who has lost or is likely to lose work, employment or income due to changes in market conditions, industry downsizing or the phaseout of an extractive industry.

SECTION 6. [NEW MATERIAL] ECONOMIC TRANSITION ACTION PLAN.--

A. On or before December 31, 2024, the division, in consultation with the sustainable economy task force and the sustainable economy advisory council, shall prepare and publish an economic transition action plan and publish the plan. The plan shall be transmitted to the governor, the secretary, the chair and vice chair of the legislative finance committee and the library of the legislative council service.

B. The economic transition action plan shall:

(1) provide data about the status of New Mexico's natural resource extractive industries, including economic, environmental and demographic trends affecting disproportionately impacted communities, communities in transition and workers in transition;

(2) identify disproportionately impacted

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

communities and communities in transition in New Mexico using relevant economic, environmental justice, health and demographic analyses;

(3) provide a cost projection for the long-term implementation of the economic transition action plan and the economic transition fund;

(4) identify potential sources of funding that may be accessed from federal, state, local and other sources without additional legislative authority or approval;

(5) identify potential sources of funding that may be accessed from federal, state, local and other sources with additional legislative or voter approval;

(6) develop guidelines and criteria for a grant and loan program, technical support and other programmatic support for disproportionately impacted communities, communities in transition, workers in transition and eligible entities to help workers in transition build new skills, find new jobs or start businesses and identify strategies appropriate to the strengths and assets of each community;

(7) develop guidelines and criteria for a grant and loan program, technical support and other programmatic support for disproportionately impacted communities, communities in transition, workers in transition and eligible entities to develop programs that will create new

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

jobs, promote healthy and sustainable communities and support workforce and community development in non-extractive businesses and industries;

(8) identify ways to attract new businesses or economic activity to disproportionately impacted communities and communities in transition;

(9) work with the workforce solutions department to recommend benefits for workers in transition;

(10) work with the workforce solutions department to recommend rapid response and peer support programs for workers in transition;

(11) work with the workforce solutions department to expand the services provided by the workforce connections offices in communities in transition;

(12) promote and enforce health and safety standards and guidelines outlined by the federal occupational safety and health administration for extractive industries and emerging industries;

(13) work with the workforce solutions department to prepare estimates of:

(a) the total number of workers employed by fossil fuel and other natural resource extraction industries in New Mexico;

(b) the total number of workers whose existing jobs will be retained or eliminated as a result of the

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

closure of fossil fuel and other natural resource extraction industries and the classification of jobs;

(c) the total number of workers who will be retained to continue to work for the fossil fuel and natural resource extraction industries or as contractors in a new job classification;

(d) the total number of workers who will not be offered other employment by the fossil fuel or natural resource extraction industry;

(e) the total number of workers who will be retained by being transferred to another facility owned by the company or offered other employment by the same employer or contractor; and

(f) the total number of workers who will retire as planned, be offered early retirement or leave on their own;

(14) identify additional resources to invest in communities in transition and disproportionately impacted communities that support economic transition and promote healthy and sustainable communities; and

(15) include policy recommendations.

C. In preparing the economic transition plan, the division shall:

(1) require community feedback and public engagement;

.223499.6AIC February 3, 2023 (4:36pm)

(2) focus on rural areas, disproportionately impacted communities and communities in transition; and

(3) include opportunities for virtual participation.

SECTION 7. [NEW MATERIAL] ECONOMIC TRANSITION FUND
CREATED--ANNUAL REPORT.--

A. The "economic transition fund" is created in the state treasury. The fund consists of appropriations, payments of principal and interest on loans made from the fund, income from investment of the fund and any other money distributed or otherwise allocated to the fund. The division shall administer the fund. Balances in the fund at the end of any fiscal year shall not revert to the general fund.

B. Money in the economic transition fund may be used to provide grants and loans for financing workforce development, apprenticeship programs, training programs HGEIC→, economic transition projects←HGEIC and economic support programs approved by the secretary. As used in this subsection, "economic support programs" means programs that provide financial assistance to workers in transition, regardless of immigration status, to offset changes in income and to participate in job training and readiness programs, including expanded unemployment benefits, supplemental income, monetary incentives, relocation assistance, child care stipends and other grants and loans.

.223499.6AIC February 3, 2023 (4:36pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

C. Money in the economic transition fund may be used pursuant to Subsection B of this section only for grants or loans to an eligible entity.

D. Money in the economic transition fund may be used for administrative and reimbursable costs incurred by the department subject to the legislative appropriation process.

E. Disbursements from the economic transition fund shall be made by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of economic development or the secretary's authorized representative.

F. By December 1, 2023, and by December 1 of each year thereafter, the secretary shall provide a report to the governor and the library of the legislative council service regarding:

(1) grants and loans approved by the secretary pursuant to Subsection B of this section;

(2) the status of repayment obligations for loans made pursuant to Subsection B of this section;

(3) money used for administrative and reimbursable costs pursuant to Subsection D of this section; and

(4) the status of the economic transition fund.

SECTION 8. APPROPRIATIONS.--

.223499.6AIC February 3, 2023 (4:36pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

A. Eight hundred eighty-five thousand dollars (\$885,000) is appropriated from the general fund to the economic development department for expenditure in fiscal year 2024 to establish the economic transition division of the department and to implement the Economic Transition Act. Any unexpended or unencumbered balance remaining at the end of fiscal year 2024 shall revert to the general fund.

B. Two million five hundred thousand dollars (\$2,500,000) is appropriated from the general fund to the economic development department for expenditure in fiscal year 2024 and subsequent fiscal years to support community engagement by the sustainable economy task force and the sustainable economy advisory council. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

C. Ten million dollars (\$10,000,000) is appropriated from the general fund to the economic transition fund for expenditure in fiscal year 2024 and subsequent fiscal years to provide assistance to workers and communities in transition pursuant to the Economic Transition Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SECTION 9. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2023.