

LFC Requester:

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2-14-2025 *Check all that apply:*  
**Bill Number:** HB 17 Original  Correction   
 Amendment  Substitute

	<b>Agency Name</b>	
<b>Sponsor:</b> <u>Charlotte Little and Sarah Silva and Reena Szczepanski</u>	<b>and Code</b>	<u>419</u>
<b>Short Title:</b> <u>Creating a Commission on Reduction of Grocery Costs</u>	<b>Number:</b>	
	<b>Person Writing</b>	<u>Erin Ortigoza</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$400.0		Nonrecurring	General Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

House bill 17 (HB 17) declares an emergency and states that it is necessary for the public peace, health and safety that this act take effect immediately.

This bill establishes the "commission on reduction of grocery costs" which shall function from the date of its appointment until March 31, 2026, to conduct a study on the cost of groceries to yield a report with findings and recommendations to support affordable food commerce and production as well as access to affordable staple food for New Mexicans.

The bill includes an appropriation of Four hundred thousand dollars (\$400,000) to the New Mexico economic development department (NMEDD) for expenditure in fiscal years 2025 and 2026 to support the work of the commission.

This bill outlines details of the appointments and protocols to be enacted by the commission. The commission will submit a report of its findings, including specific recommendations and proposed legislation, to the governor, the New Mexico legislative council and the appropriate legislative interim committee dealing with consumer protections and the economy by November 15, 2025.

The commission will:

- review policies and develop policy proposals for reducing the cost of groceries for New Mexico's consumers;
- recommend strategies to support food businesses that produce locally grown, raised and processed raw and value-added products and to expand access to those products in retail grocery settings;
- evaluate whether increased investments in supply chain infrastructure, including transportation, cold storage and aggregation, would improve the resilience and adaptability of the state's food system and reduce grocery costs and grocery price volatility;
- evaluate the sufficiency of the state's laws regarding price gouging, dynamic pricing and other price manipulations that increase grocery costs for consumers;
- focus its efforts on the cost of essential household foods, including eggs, milk, fresh produce, bread, tortillas and foods with minimal processing;
- consider actions that the state can take to insulate the state's consumers from the impact of any federal trade agreements and changes that would increase grocery costs for consumers; and
- consider any other policies or trends that contribute to increased grocery costs for consumers and make recommendations to reduce grocery costs.

## **FISCAL IMPLICATIONS**

This bill appropriates \$400 thousand dollars from the general fund to the economic development department for expenditure in FY 25 and FY 26.

## **SIGNIFICANT ISSUES**

U.S. grocery prices have experienced notable increases with food prices surging in 2022 by almost 10 percent, marking the fastest annual increase since 1979. This trend continued into 2023 with an almost 6 percent rise, and in 2024, prices grew an additional 2.3 percent, indicating a deceleration, but still above historical average.

New Mexico has made nation-leading investments in the economic well-being, health, and educational outcomes of children through policy and budgetary choices since 2018---investing in children and low-income families works.

Additionally, EDD has launched the Food, Hunger, and Agricultural Program whose mission is to support the intersection of economic development in New Mexico's food and agricultural sector with increased food security for New Mexicans.

## **PERFORMANCE IMPLICATIONS**

EDD will allocate FTE time and work with a contractor to assemble a qualified commission and gain meaningful insight, information, data and compile findings and recommendations by Nov 15, 2025. EDD will coordinate with the commission and contractor to conduct interviews with persons that wish to express their views to the commission and synthesize information developed through interviews for the commission to report on these and other findings.

## **ADMINISTRATIVE IMPLICATIONS**

EDD will identify staff capacity and a contractor in fiscal years 2025 and 2026 to support the above work of the commission on reduction of grocery costs.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The consequences of not enacting this bill would be that the emergency appropriation of \$400,000.00 would not be appropriated to EDD for FY25 and FY26. There would be no mandated study to evaluate how increased investments in supply chain infrastructure, including transportation, cold storage and aggregation, would improve the resilience and adaptability of the state's food system and reduce grocery costs and grocery price volatility. Also, there would be no report recommendations and strategies to reduce the cost of groceries to consumers.

## **AMENDMENTS**