

LFC Requester:

Julisa Rodriguez

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov*(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: 1/21/2025

Check all that apply:

Bill Number: HB 19Original Correction Amendment Substitute Sponsor: Patricia A. Lundstrom

Agency Name

and Code

Number: NMFA (385)

Short

Person Writing Ryan Decker

Title:

Phone: 505-629-2949 Email rdecker@nmfa.net**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	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
Total	NFI	NFI	NFI	N/A	N/A	N/A

(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

Synopsis:

House Bill 19 (HB 19) creates the Trade Ports Development Act (the Act) and the Trade Ports Development Fund (the Fund) at the state treasury to be administered by the Economic Development Department (EDD) for the purposes of planning, renovation or construction of trade ports and associated facilities and infrastructure. As it pertains to NMFA, its Chief Executive Officer (or designee) is as a member of the Trade Port Advisory Committee.

HB 19 provides for comprehensive administration of the Act and the Fund, including:

- specifies qualifying criteria for trade port districts, trade port projects, and public-private partnership agreements (P3's) for trade port projects;
- authorizes the Secretary of Economic Development (Secretary) to develop application forms for P3's; review approve, modify or disapprove of trade port districts and P3's for trade port projects; promulgate rules establishing the application process and criteria for P3's and grants and loans; approve or disapprove applications for grants or loans; and any and all other actions necessary to implement the Act;
- creates the Trade Ports Advisory Committee (TPAC) to be administered by the Economic Development Department (EDD) to review and recommend trade port districts, P3's for trade port projects, rules, grants, loans and updates to technical information to the Secretary;
- authorizes public partners to enter into P3's in connection with trade port projects to provide economic and administrative efficiencies, subject to certain notice, economic impact, and legal requirements;
- provides for grants of up to \$250,000 to public partners for the purpose of studying the costs and benefits of entering into a P3 for a proposed trade port project, or to provide grants and loans for financing a trade port project through a P3, subject to a private partner match that equals or exceeds the monetary obligation of the public partner subject to all required terms and conditions; and
- requires the Fund may only be used to make grants or loans to public partners or to an Indian nation, tribe or pueblo; and requires the Secretary to report annually by December 1 to the Governor and the Legislative Finance Committee regarding approved trade port districts, trade port projects, businesses and industries participating in approved trade port districts and projects; approved grant and loan applications and P3's, the status of the Fund and any recommended changes to the Act.

HB 19 introduces new material to the Tax Administration Act that prior to July 1, 2035 distributes an amount equal to one percent (1%) of net receipts to the Fund. HB 19 amends the Tax Administration Act to, prior to July 1, 2035, distribute four percent of net receipts in the motor vehicle suspense fund to the Fund.

The Act exempts agreements and contracts entered into pursuant to the Act from the Procurement Code.

HB 19 does not contain the cited appropriation to create the Fund, its administration or support the TPAC.

FISCAL IMPLICATIONS

There are no fiscal implications to NMFA.

SIGNIFICANT ISSUES

The Act creates a framework for P3 agreements specific to trade port projects. P3's could not be utilized for other types of projects.

PERFORMANCE IMPLICATIONS

Given the scope of Fund activities, EDD will likely require additional staffing and budget. There is no appropriation supporting the administration of the Fund or the TPAC.

ADMINISTRATIVE IMPLICATIONS

The Act includes the Chief Executive Officer (or designee) of the New Mexico Finance Authority as a member of the TPAC.