

LFC Requester:	Julissa Rodriguez
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov 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: 01/22/2025 *Check all that apply:*
Bill Number: HB 0019 Original X Correction
 Amendment Substitute

Sponsor: Rep. Patricia A. Lundstrom **Agency Name and Code** 41700
Short Title: Trade Ports Development Act **Number:** _____
Title: _____ **Person Writing** Gerardo Fierro
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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						

(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:

HB 0019 establishes the **Trade Ports Development Act**, to facilitate the development and management of trade ports in New Mexico. It focuses on leveraging existing infrastructure assets and creating partnerships to enhance the state's role in national and international trade, stimulate economic growth, and address transportation and logistics needs.

FISCAL IMPLICATIONS

No fiscal impact to NMBA identified.

SIGNIFICANT ISSUES

1. Jurisdictional Overlap

- **Potential Issue:** The proposed legislation would include the proposed Trade Port in Southern Dona Ana County, near the Santa Teresa Port of Entry. The act covers some of the principle purposes surrounding border-related economic and infrastructure development established in the Border Development Act. The potential overlaps between the entities or committees established by HB 0019 and the NM Border Authority may create conflicts in areas such as applying for grants and loans.
- **Key Conflict:**
 - The Border Authority is tasked with overseeing infrastructure and economic development at ports of entry including the area around the proposed Trade Port in Dona Ana County.
 - HB 0019 introduces a Trade Ports Advisory Committee, which may duplicate roles or create conflicts in project oversight, evaluation, and implementation.
- **Solution:** Clearly delineate the responsibilities of the Border Authority and the Advisory Committee on issues related to ports of entry and border development.

2. Coordination and Authority

- **Potential Issue:** The Border Authority already has the statutory authority to advise the Governor and other officials on border infrastructure and development including in areas where future trade ports may be established. HB 0019 gives the Secretary of Economic Development new powers to approve trade port projects without considering existing authorities and local jurisdictional powers and project ownership.
- **Key Conflict:**
 - The Secretary of Economic Development's approval process in HB 0019 might not align with the Border Authority's strategic vision for port development.
 - There could be disagreements on prioritization or funding for projects.
 - Local jurisdictions which may own infrastructure assets impacted by trade port designations are not included in the Advisory Committee established by HB 0019,
- **Solution:** Distinguish between Trade Ports in the border region and non-border trade ports. Include local government coordination in trade port selection/designation criteria.

3. Funding Competition

- **Potential Issue:** HB 0019 establishes tax distributions for infrastructure projects, Border Authority also needs funding to the Border Project Development Fund.
- **Key Conflict:**
 - The Border Development Act relies on funding allocated to the Border Authority.
 - HB 0019 creates a separate Trade Ports Development Fund, which may draw resources away from the Border Authority.
- **Solution:** Consolidate or coordinate funding streams to ensure equitable allocation and prevent duplication of efforts.

4. Project Scope and Focus

- **Potential Issue:** The act may prioritize different types of projects or geographic areas, leading to inefficiencies or inconsistent development.
- **Key Conflict:**
 - The Border Development Act emphasizes infrastructure at **ports of entry** and the surrounding areas.
 - HB 0019 expands the focus to include **trade port districts**, which may encompass broader geographic areas not directly tied to ports of entry.
- **Solution:** Define the geographic and project-specific focus for each act to ensure complementary rather than competing initiatives.

5. Advisory Structures and Oversight

- **Potential Issue:** The **Trade Ports Advisory Committee** (HB 0019) and the Border Authority (Border Development Act) may have overlapping advisory functions.
- **Key Conflict:**
 - The Advisory Committee under HB 0019 may duplicate or bypass the role of the Border Authority in providing recommendations for port development.
- **Solution:** Specify roles and ensure the Advisory Committee consults the Border Authority on relevant projects to avoid duplication.

PERFORMANCE IMPLICATIONS

Cumulative Impacts on Performance:

1. **Slower Economic Growth:** Delays in infrastructure development could hinder trade and investment opportunities.
2. **Higher Costs:** Redundant efforts and funding competition may escalate the costs of development.
3. **Reduced Return on Investment (ROI):** Inefficient project implementation could lower the economic benefits derived from the initiatives.
4. **Lower Stakeholder Confidence:** Inconsistencies and delays could erode trust among businesses, communities, and government partners.
5. **Increased Administrative Burden:** Managing overlapping roles and conflicts could divert resources from actual project execution.

ADMINISTRATIVE IMPLICATIONS

1. **Role Clarification and Overlap:** Potential duplication of responsibilities between NMBA and the Trade Ports Advisory Committee may lead to inefficiencies. Clear role definitions are necessary.
2. **Coordination Demands:** Increased collaboration with the Economic Development Department and other stakeholders could add administrative complexity. Formal agreements (e.g., MOUs) may be required.
3. **Funding Competition:** HB 0019's Trade Ports Development Fund could divert resources from NMBA projects, necessitating stronger funding advocacy.
4. **Staffing Needs:** Managing additional responsibilities may require more personnel and specialized expertise, posing challenges given NMBA's history of being understaffed.
5. **Strategic Alignment:** NMBA's plans may need adjustments to align with HB 0019's broader trade port goals while maintaining focus on ports of entry.
6. **Increased Reporting:** Additional reporting requirements under HB 0019 could increase administrative workloads and require standardized processes.
7. **Diluted Focus Risk:** Balancing new trade port initiatives with NMBA's core responsibilities may strain resources and reduce effectiveness.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Mentioned in the above sections

TECHNICAL ISSUES

Mentioned in the above sections

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NM Border Authority will continue to support the development of infrastructure supporting the Trade Port concept in Southern Dona Ana County, and potentially in Luna and Hidalgo Counties.

AMENDMENTS