

LFC Requester:

Julisa Rodriguez

### AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

#### SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/30/2025

Check all that apply:

Bill Number: HB 227

Original  Correction   
Amendment  Substitute

Sponsor: Rep. Linda Serrato

Agency Name and Code Number: 305 – New Mexico Department of Justice

Short Title: Child Care Facility Qualifying Entities

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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
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

### **SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

### **BILL SUMMARY**

The Local Economic Development Act (“LEDA”), NMSA 1978, Section 5-10-1 to -17 (2021), grants authority to the Economic Development Department (“EDD”) to administer grants to local governments to assist in expanding or relocating businesses defined as a “qualified entity” that will stimulate economic development and produce public benefits pursuant to LEDA.

HB 227 proposes to amend LEDA, Section 5-10-3(L), to include “child care facilities” as qualified entities for grant eligibility. The bill also proposes to carve out exceptions for child care facilities to satisfy the definition of a “new full-time economic base job.” See § 5-10-3(I)(3)(a) - (I)(4).

### **FISCAL IMPLICATIONS**

N/A

### **SIGNIFICANT ISSUES**

None identified.

### **PERFORMANCE IMPLICATIONS**

N/A

### **ADMINISTRATIVE IMPLICATIONS**

N/A

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

Relationship with SB181 (“New Qualifying Entities in LEDA”) which also seeks to add to the “qualified entities” list under LEDA.

Relationship with HB135 (“Housing Study Requirement for LEDA Funds”) which proposes to require a “qualified entity” to conduct a housing study prior to applying for public support.

## **TECHNICAL ISSUES**

While the perceived purpose of the bill proposes to define child care facilities as “qualified entities” under LEDA, HB 227 also adds “nonprofit organization” as an approved legal status for a qualified entity. With that change, the nonprofit legal status expands to each already enumerated qualified entity.

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A

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

Status quo.

## **AMENDMENTS**

N/A