

LFC Requester:

Sarah Dinces

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: 02/17/2025

Check all that apply:

Bill Number: HB 261

Original Correction
Amendment Substitute

Sponsor: Rep. Rebecca Dow

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

Person Writing

Short Title: SPACEPORT DISTRICT FUND INVESTMENT

Analysis: Justin Lauriano

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

(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
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
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: This bill is identical to the pending SB 174.
 Duplicates/Relates to Appropriation in the General Appropriation Act

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

Synopsis: This act and proposed amendment amends NMSA 1978, 5-16-8 (2006) to change the options the Regional Spaceport District has to invest funds that it has.

The New Mexico Regional Spaceport District is authorized to levy a tax of up to 0.5% on businesses in Dona Ana County and Sierra County. The NMRSD board and counties have authorized taxes of 0.25% on businesses. This revenue has limitations on its usage and investment under Sections 5-16-13 and 5-16-8. Furthermore, most of this revenue is currently pledged as collateral and payment for bonds that were issued to construct the New Mexico Spaceport. However, in the future those bonds will be paid off. This bill changes the types of investments that the board is allowed to make under Section 5-16-8. Currently investments that the board holds must be invested with regards to the Prudent Investor Act 45-7-601 to – 612 and the board is only authorized to employ the state investment council to make these investments. HB261 allows the board to employ the state treasurer instead of or in conjunction with the state investment council to manage these investments and it allows for the investments to be put in local government investment pools.

The proposed amendment eliminates the ability of the NMRSD board to use the state investment council which could eliminate the board’s ability to invest in certain long-term investments. However, under the bill the board would still have the state treasurer and be able to invest in local government investment pools.

Section 2 makes the bill effective on July 1, 2025, however the proposed amendment includes an emergency declaration and makes the act effective immediately.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is identical to the pending SB 174; however SB 174 does not have a proposed amendment. HB 396 has a provision that would amend NM1978, Section 7-20E-25(A) (2006) that would end the imposition of the NMRSD's gross receipts tax upon the bonds that are currently issued being paid for which would make this current bill irrelevant because without that tax there would be no money for the NMRSD to invest.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A