

LFC Requester:**Julisa Rodriguez****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: January 31, 2025 Check all that apply:
Bill Number: SB 169 Original Correction
 Amendment Substitute

Sponsor: Sen. Padilla, Sen. Brandt, Rep. Dixon, Rep. Joshua Hernandez
Short Title: STRATEGIC ECONOMIC DEVELOPMENT SITE
Agency Name and Code: NMFA (385)
Number: _____
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$24000.0	Recurring	GF

(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: Companion to SB 170
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 169 creates the Strategic Economic Development Site Readiness Act; authorizes public/private partnerships; provides for site characterization studies; forms the Strategic Economic Development Site Advisory Committee (“Advisory Committee”), designates members, and defines its duties; and develops criteria for designating sites. SB 169 creates the site readiness fund in the State Treasury to be administered by the Economic Development Department (“EDD”) to make grants and loans for site pre-development projects. SB 169 makes an appropriation of \$24 million from the general fund to the site readiness fund.

SIGNIFICANT ISSUES

Timely and predictable access to infrastructure is essential for businesses in New Mexico wishing to expand and for attracting new businesses to New Mexico to promote and increase economic development. Creating site ready projects with essential infrastructure is likely to result in significant capital investment, tax revenues and jobs.

SB 169 is a companion to SB 170 that creates a process for utilities that are interested in pre-deploying infrastructure to a site that has been deemed as an economic development project by the EDD. The Public Regulation Commission (“PRC”) will review public utility applications and provide a determination within six months. SB 169 creates a process to evaluate and fund projects and utilizes an advisory committee to make this certification.

The current process for a utility is to have a customer sign an agreement before developing the infrastructure to serve that client., which may take several years. The lengthy time involved for deployment of new infrastructure puts New Mexico at a competitive disadvantage with other States for economic development. If enacted, SB 169 and SB 170 will significantly reduce the time between when a site is determined to be suitable for economic development to actual installation of infrastructure necessary to get businesses in operation.

SB 169 provides that EDD may enter into contracts with public or private entities for site characterization studies to determine the suitability of a proposed economic development site being designated as a strategic economic development site. The fund created by SB 169 may be used to fund site characterization studies of proposed economic development sites and site preparations of strategic economic development sites.

PERFORMANCE IMPLICATIONS

One of the duties of the Advisory Committee created by SB 169 is to recommend approval or disapproval of applications for loans from the NMFA’s Public Project Revolving Fund (“PPRF”).

ADMINISTRATIVE IMPLICATIONS

NMFA’s CEO is named as a member of the Advisory Committee.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Companion to SB 170 which provides that site readiness projects undertaken by public entities and rural electric cooperatives may apply to the NMFA’s PPRF for low-cost loans to construct or

improve electric utilities and infrastructure.