

1 SENATE BILL 83

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO PUBLIC FUNDS; CREATING THE INNOVATION IN STATE
12 GOVERNMENT FUND FOR STATE AGENCIES TO CREATE MASTER PLANS AND
13 INCREASE AGENCY CAPACITY TO IMPLEMENT CLIMATE CHANGE POLICY;
14 MAKING A TRANSFER FROM THE GENERAL FUND TO THE INNOVATION IN
15 STATE GOVERNMENT FUND; MAKING APPROPRIATIONS FROM THE
16 INNOVATION IN STATE GOVERNMENT FUND.

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 SECTION 1. [NEW MATERIAL] INNOVATION IN STATE GOVERNMENT
20 FUND.--

21 A. The "innovation in state government fund" is
22 created as a nonreverting fund in the state treasury. The fund
23 consists of distributions, appropriations, gifts, grants,
24 donations and bequests made to the fund and income from
25 investment of the fund. The department of finance and

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1 administration shall administer the fund. Money in the fund is
2 subject to appropriation by the legislature only as provided in
3 this section. Expenditures from the fund shall be by warrant
4 of the secretary of finance and administration pursuant to
5 vouchers signed by the secretary or the secretary's authorized
6 representative.

7 B. Money in the fund may be appropriated to state
8 agencies to create master plans and increase agency capacity
9 to:

- 10 (1) achieve net-zero emissions;
11 (2) implement sustainable economic policies;
12 (3) provide technical support to entities
13 applying for grants and other funding that seek to address
14 climate change; or
15 (4) implement, enable or reduce the barriers
16 to implementing climate change policy.

17 C. Money in the fund may be expended in the event
18 that general fund balances, including all authorized revenues
19 and transfers to the general fund and balances in the general
20 fund operating reserve, the appropriation contingency fund and
21 the tax stabilization reserve, will not meet the level of
22 appropriations authorized from the general fund for a fiscal
23 year. In that event, to avoid an unconstitutional deficit, the
24 legislature may appropriate from the fund to the general fund
25 only in the amount necessary to meet general fund

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1 appropriations for that fiscal year and only if the legislature
2 has authorized transfers from the appropriation contingency
3 fund, the general fund operating reserve and the tax
4 stabilization reserve that exhaust those fund balances.

5 D. By June 30 of each year, a state agency that
6 receives funding from the fund shall submit a report and budget
7 to the department of finance and administration showing how the
8 funds will be expended in support of the authorized purposes.
9 The report shall also include:

10 (1) justification of any proposed changes to
11 the agency's program structure pursuant to Section 6-3A-4 NMSA
12 1978, and any approval or denial of the changes pursuant to
13 that section, as well as the justification for the decision;
14 and

15 (2) if an agency has received an appropriation
16 from the government results and opportunity program fund for a
17 master plan created pursuant to Subsection B of this section
18 and has or is expected to make a request to expand the purpose
19 of the appropriation, justification for such request.

20 E. As used in this section:

21 (1) "greenhouse gas" means a gas or gaseous
22 compound that contributes to the greenhouse effect by absorbing
23 infrared radiation, including carbon dioxide, methane, nitrous
24 oxide, hydrofluorocarbons, perfluorocarbons, nitrogen
25 trifluoride and sulfur hexafluoride;

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1 (2) "net-zero emissions" means allowable
2 direct emissions of greenhouse gases that are fully offset; and

3 (3) "sustainable economic policies" means
4 policies to promote:

5 (a) the addition of new jobs statewide
6 and the replacement of jobs that rely on the extraction or
7 development of natural resources; and

8 (b) diversifying the state's revenue
9 sources to replace the revenue generated from the natural
10 resource extraction sector, including policies that promote
11 economic development; investment of state revenue;
12 infrastructure development; determining alternative funding
13 sources for education, hospitals and other social services; and
14 long-term economic growth for the state."

15 SECTION 2. TRANSFER.--Ten million dollars (\$10,000,000)
16 is transferred from the general fund to the innovation in state
17 government fund.

18 SECTION 3. APPROPRIATIONS.--

19 A. Two million five hundred thousand dollars
20 (\$2,500,000) is appropriated from the innovation in state
21 government fund to each of the following agencies for
22 expenditure in fiscal years 2026 and 2027 to carry out the
23 purposes of Section 1 of this act, and any unexpended or
24 unencumbered balances remaining at the end of fiscal year 2027
25 shall revert to the innovation in state government fund:

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- 1 (1) the department of environment; and
2 (2) the energy, minerals and natural resources
3 department.

4 B. One million dollars (\$1,000,000) is appropriated
5 from the innovation in state government fund to each of the
6 following agencies for expenditure in fiscal years 2026 and
7 2027 to carry out the purposes of Section 1 of this act, and
8 any unexpended or unencumbered balances remaining at the end of
9 fiscal year 2027 shall revert to the innovation in state
10 government fund:

- 11 (1) the department of transportation;
12 (2) the economic development department;
13 (3) the workforce solutions department;
14 (4) the public regulation commission; and
15 (5) the state land office.