

1 SENATE BILL 175

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

3 INTRODUCED BY

4 Heather Berghmans and Linda Serrato

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10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; AMENDING THE CHILD CARE  
12 FACILITY REVOLVING LOAN FUND; ALLOWING THE EARLY CHILDHOOD  
13 EDUCATION AND CARE DEPARTMENT AND THE NEW MEXICO FINANCE  
14 AUTHORITY TO CONTRACT FOR SERVICES WITH PROVIDERS OR EMPLOYERS  
15 SEEKING TO CREATE OR EXPAND CHILD CARE PROGRAMS FOR AN  
16 EMPLOYER'S EMPLOYEES; PROVIDING CONDITIONS; EXPANDING USES OF  
17 THE LOANS.

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19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. Section 24-24-4 NMSA 1978 (being Laws 2003,  
21 Chapter 316, Section 4, as amended) is amended to read:

22 "24-24-4. FUND CREATED--ADMINISTRATION.--

23 A. The "child care facility revolving loan fund" is  
24 created in the New Mexico finance authority to provide low-  
25 interest, long-term loans to providers to make health and

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1 safety improvements in their facilities and for operating  
2 capital. The fund shall consist of appropriations, gifts,  
3 grants and donations to the fund, which shall be invested as  
4 provided in the New Mexico Finance Authority Act. Money in the  
5 fund shall not revert and is appropriated to the department,  
6 which shall utilize the fund for the purposes of the Child Care  
7 Facility Loan Act. Administrative costs of the authority may  
8 be paid from the fund.

9 B. Money in the fund shall be used to make loans to  
10 providers that demonstrate the need to make health and safety  
11 improvements, including space expansion, in order to maintain  
12 an adequate and appropriate environment for their clients; to  
13 providers seeking to expand child care programs; to employers  
14 to create or expand high-quality child care programs for the  
15 employer's employees; and for the department and the New Mexico  
16 finance authority to contract for services with providers and  
17 employers seeking to create or expand child care programs for  
18 the employer's employees as reasonably adequate legal  
19 consideration from money from the fund. Loans from the fund  
20 are to be made at an interest rate greater than zero percent  
21 for a term that does not exceed the useful life of the project  
22 being financed.

23 C. No more than twenty percent of the fund may be  
24 loaned for a single provider in a single project. The  
25 department shall give priority for loans to ~~[facilities of]~~

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1 providers that serve proportionately high numbers of state-  
2 subsidized clients and low-income families that are located in  
3 communities with high poverty rates and that provide  
4 nontraditional-hour child care.

5 D. The department and the New Mexico finance  
6 authority shall enter into a contract for services with a  
7 provider or an employer seeking to create or expand child care  
8 programs for the employer's employees; provided that within  
9 five years of disbursement of the loan, the provider or  
10 employer:

11 (1) is located in a designated child care  
12 desert;

13 (2) demonstrates that at least fifty percent  
14 of the children that the provider or employer serves are  
15 recipients of a child care assistance program expanded or  
16 created by the provider or employer;

17 (3) demonstrates that the number of children  
18 served by the provider or employer increased by ten percent;

19 and

20 (4) satisfies other qualifications as  
21 determined by the department and the New Mexico finance  
22 authority.

23 ~~[D.]~~ E. The department, in conjunction with the New  
24 Mexico finance authority, shall adopt rules to administer and  
25 implement the Child Care Facility Loan Act. The rules shall

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become effective when filed in accordance with the State Rules Act."