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## FISCAL IMPACT REPORT

**SPONSOR** Reps. Ortez and Szczepanski/Sen. Stefanics
**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 1/28/25  
**SHORT TITLE** Extreme Weather Resilience Fund
**BILL NUMBER** House Bill 109  
**ANALYST** Hilla

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$12,000.0	Nonrecurring	General fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>DOH</b>	No fiscal impact	\$102.34	\$102.34	\$204.68	Recurring	General Fund
<b>IAD</b>	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund
<b>Total</b>	No fiscal impact	At least \$102.34	At least \$102.34	At least \$204.68	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 108, Senate Bill 48, and Senate Bill 49

### Sources of Information

LFC Files

#### Agency Analysis Received From

Department of Health (DOH)  
 Indian Affairs Department (IAD)  
 State Treasurer (STO)

#### Agency Analysis was Solicited but Not Received From

Department of Finance and Administration (DFA)

## SUMMARY

### Synopsis of House Bill 109

House Bill 109 (HB109) amends the Public Health Act (24-1-1 through 24-1-44 NMSA 1978) to create the extreme weather resilience fund, administered by the Department of Health (DOH), for the purpose of providing grants of up to \$1 million to political subdivisions, Indian nations, pueblos, and tribes for climate preparation and response. The bill appropriates \$12 million from

the general fund to the extreme weather resilience fund. HB109 requires the DOH secretary to prioritize grants which:

- Benefit people in low-income and disadvantaged communities;
- Integrate public health concerns and recommendations with other local climate adaptation plans or local emergency preparedness plans, projects, and activities;
- Emphasize planning, projects, and activities that are also eligible for grants from federal or other state programs or help New Mexico become eligible for federal funds; and
- Involve local and tribal health councils as direct participants in the planning process.

HB109 specifies that at least 50 percent of total grants awarded by DOH must be awarded to political subdivisions with human populations equal to or fewer than one hundred thousand according to the most recent federal decennial census.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## **FISCAL IMPLICATIONS**

The appropriation of \$12 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund.

DOH states they will need an increase of \$102 thousand in personnel costs to manage the extreme weather resilience fund, which includes salary, IT costs, administrative costs, etc. DOH states that the appropriation contained in House Bill 108, which appropriates \$1.1 million to support the statewide public health and climate program within the environmental health epidemiology bureau of the epidemiology and response division of DOH, may be used to cover these costs.

The Indian Affairs Department (IAD) states that the department may experience an increase in workload with coordinating administration with nations, pueblos and tribes, however, this increase in workload is unlikely to create a large fiscal impact as DOH is the department assigned to administer the funds.

## **SIGNIFICANT ISSUES**

According to the 2020 federal decennial census, 28 counties in New Mexico have populations of one hundred thousand or less.

HB109 identifies the criteria to be eligible for the grants. A capped amount can allow for more efficient allocation of resources and balancing competing needs within the state, especially if entities are seeking funding simultaneously. However, the bill does not contain a claw-back provision in the event funds are misspent and does not require accountability for funds awarded to eligible entities.

DOH states that changes in climate have led to environmental impacts, such as wildfires, and impacts on health, such as illnesses from contaminated water. DOH notes that HB109 could help low-income and disadvantaged communities address these issues. The department notes that these impacts are “most acutely felt by those with fewest resources.”

## **ADMINISTRATIVE IMPLICATIONS**

DOH already administers funding for health councils via nonrecurring special appropriations, which could help align the award process for the distribution of the extreme weather resilience fund with the objectives of the granting process.

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

Relates to House Bill 108 (HB108), which appropriates \$1.1 million DOH for a statewide public health and climate program. If HB108 passes, additional operating funds at DOH are not needed to implement HB109.

Relates to Senate Bill 48, which creates the community benefit fund and includes a \$340 million appropriation for projects addressing various climate concerns, such as the impact of climate change on the natural environment and human health, similar to HB109. Relates to Senate Bill 49, which transfers \$340 million from the community benefit fund to a variety of funds and departments.

## **TECHNICAL ISSUES**

If the intent of HB109 is to prioritize fifty percent of awards for communities with populations one hundred thousand or fewer including Indian nations, pueblos, and tribes, the language should change in Section 2(D). Indian nations, tribes, and pueblos are not considered to be political subdivisions in the same way as counties, cities, and townships. For example, 11-6-3 NMSA 1978 defines political subdivisions as “any county, incorporated city, town, or village, drainage, conservancy, irrigation, water and sanitation or other district, mutual domestic association, public water cooperative association, or community ditch association,” which does not appear to include Indian tribes, nations, or pueblos as political subdivisions. While HB109 makes a distinction between political subdivisions and Indian nations, pueblos, or tribes in Section 1(B), the language in Section 2(D) states that at least “fifty percent of the total grants be approved by the secretary shall be awarded to political subdivisions with total human populations equal to or fewer than one hundred thousand according to the most recent federal decennial census.” To ensure that Indian nations, tribes, and pueblos are included as priority recipients of fifty percent of the funding, Section 2(D) should be revised to explicitly reference them, as they are not classified as political subdivisions.

EH/SEC/hj