

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR <u>Lara/Martínez, J.</u>	LAST UPDATED <u>3/05/2025</u> ORIGINAL DATE <u>3/02/2025</u>
SHORT TITLE <u>Border Authority & Director Requirements</u>	BILL NUMBER <u>House Bill 469/aHCEDC</u>
ANALYST <u>Rodriguez</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMBA	Up to \$0.6	Up to \$0.6	Up to \$0.6	Up to \$1.8	Recurring	General Fund

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

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Border Authority (NMBA)
 New Mexico Attorney General (NMAG)

Agency Analysis was Solicited but Not Received From

Economic Development Department (EDD)
 Department of Transportation (DOT)

SUMMARY

Synopsis of HCEDC Amendment to House Bill 469

The House Commerce and Economic Development Committee (HCEDC) amendment to House Bill 469 (HB469) changes the required proximity of a city councilor or mayor to a port of entry in order to be eligible for appointment by the governor. The amendment reduces that distance to fifteen miles.

Synopsis of House Bill 469

House Bill 469 changes the composition of the board of the New Mexico Border Authority (NMBA). The bill increases the board from seven to nine members, including the secretaries of the Department of Transportation (NMDOT) and Economic Development Department (EDD); five members appointed by the governor, including a city councilor or mayor from city within 20 miles of a port of entry and a county commissioner from a county that includes a port of entry, subject to the consent of the Senate; a member appointed by the speaker of the house of representatives; and a member appointed by the president pro tempore of the senate. The bill allows the board to elect a chair and vice chair and directs the authority to invite certain officials to serve as advisory members. HB469 also outlines the minimum qualifications of the executive director of NMBA.

Other amendments to the Border Development Act include clean up language.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

HB469 includes no appropriation. The bill may increase NMBA's per diem allocation for increased membership and advisory members. LFC estimates a recurring impact of up to \$600 to accommodate per diem costs.

SIGNIFICANT ISSUES

Currently, the NMBA board consists of seven members, including the secretary of EDD who serves as the chair and six members appointed by the governor. HB469 modifies the board's composition to increase legislative input and mandates that the governor's appointees meet specific criteria, such as experience in relevant industries, serving as a councilor or mayor of a nearby municipality, or serving on a board of county commissioners from a county with a port of entry. By increasing legislative input, the decision-making process of the board may shift to more closely align with legislative priorities. The proposed changes may also increase industry and local knowledge and expertise by including members from counties and cities with ports of entry, which could help ensure border-region concerns are more appropriately addressed.

HB469 also directs the authority to invite the following officials to serve as advisory members: the state's federal delegation, governor of the state of Chihuahua, governor of the state of Sonora, a business developer in Mexico, and other members deemed necessary by the authority. While the original language allows the chair to appoint a nonvoting advisory committee, the language in HB469 would transfer that responsibility to the Border Authority and provide more specific language on who should be invited as advisory members. HB469 could enhance cross-border collaboration as well as federal and state coordination. However, the language is broad enough that the voting board's work can continue without the advisory group, avoiding a bottleneck.

The bill adds minimum qualifications for the executive director of NMBA, including a doctorate in jurisprudence or a baccalaureate degree and four years of professional experience in relevant fields.

HB469 allows the authority to enter into public-private partnerships by allowing private contributions—whether financial or in the form of real estate—to support projects that benefit the public. Existing language in the act already allows NMBA to enter into partnerships or joint ventures with private entities for the joint funding and operation of projects. The new language allows private entities to provide financial or real estate contributions to support public projects.

The bill also requires NMBA to submit annual reports on the status of its projects to the Legislative Finance Committee on or before November 30.

PERFORMANCE IMPLICATIONS

NMBA notes that the substantial changes to the structure of the board could disrupt recent progress over the past six months in completing capital outlay projects.

NMBA also notes that the authority already provides reports to the New Mexico Finance Authority regarding general border activities and annual budget requests. The agency indicates it would provide LFC with additional information on specific project deliverables and on border project fund expenditures.

OTHER SUBSTANTIVE ISSUES

New Mexico has three ports of entry—Columbus, Santa Teresa, and Antelope Wells.

TECHNICAL ISSUES

The New Mexico Attorney General (NMAG) flags a drafting issue in Section 2(D) that references subsection B. However, the reference should be to subsection C.

JR/hj/hg/hj