

SENATE TAX, BUSINESS AND TRANSPORTATION
COMMITTEE SUBSTITUTE FOR
SENATE BILL 175

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

AN ACT

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

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

SECTION 1. Section 24-24-3 NMSA 1978 (being Laws 2003, Chapter 316, Section 3, as amended) is amended to read:

"24-24-3. DEFINITIONS.--As used in the Child Care Facility Loan Act:

A. "authority" means the New Mexico finance authority;

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underscoring material = new
[bracketed material] = delete

1 [A-] B. "department" means the early childhood
2 education and care department;

3 [B-] C. "facility" means a child care facility
4 operated by a provider, including both family home-based and
5 center-based programs, licensed by the department to provide
6 care to infants, toddlers and children;

7 [G-] D. "fund" means the child care facility
8 revolving loan fund;

9 [D-] E. "operating capital" means funds needed to
10 meet short-term obligations, such as accounts payable, wages,
11 debt servicing, lease and income tax payments; and

12 [E-] F. "provider" means a person, entity or
13 employer licensed by the department to provide child care to
14 infants, toddlers and children pursuant to Section 9-2A-8 NMSA
15 1978."

16 SECTION 2. Section 24-24-4 NMSA 1978 (being Laws 2003,
17 Chapter 316, Section 4, as amended) is amended to read:

18 "24-24-4. FUND CREATED--ADMINISTRATION.--

19 A. The "child care facility revolving loan fund" is
20 created in the [~~New Mexico finance~~] authority to provide low-
21 interest, long-term loans to providers to make health and
22 safety improvements in their facilities, expand their
23 facilities, create new facilities and for operating capital.
24 The fund shall consist of appropriations, gifts, grants and
25 donations to the fund, which shall be invested as provided in

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1 the New Mexico Finance Authority Act. Money in the fund shall
 2 not revert. [~~and is appropriated to the department, which~~
 3 ~~shall utilize the fund for the purposes of the Child Care~~
 4 ~~Facility Loan Act]~~ Administrative costs of the authority may be
 5 paid from the fund.

6 B. Money in the fund shall be used to make loans to
 7 providers or to contract for services with providers that
 8 demonstrate the need for operating capital or to make health
 9 and safety improvements, including space expansion, in order to
 10 maintain an adequate and appropriate environment for their
 11 clients; to providers seeking to expand child care facilities;
 12 and to providers seeking to create new child care facilities,
 13 including for employers to create child care facilities for the
 14 employer's employees. Loans from the fund are to be made at an
 15 interest rate greater than zero percent for a term that does
 16 not exceed the useful life of the project being financed.

17 C. The department and the authority may contract
 18 for services with an eligible provider to provide child care
 19 for child care assistance eligible families as reasonably
 20 adequate legal consideration for money from the fund; provided
 21 that within a period of time prescribed in the contract of
 22 disbursement of the loan, the provider:

23 (1) is located in a designated child care
 24 desert;

25 (2) provides care during non-traditional

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1 hours;

2 (3) demonstrates that at least fifty percent
3 of the children that the provider or employer serves are
4 recipients of a child care assistance program expanded or
5 created by the provider;

6 (4) demonstrates that the number of children
7 served by the provider increased by at least ten percent; and

8 (5) satisfies other qualifications as
9 determined by the department and the authority.

10 ~~[G.]~~ D. No more than twenty percent of the fund may
11 be loaned for a single provider in a single project. The
12 department shall give priority for loans to ~~[facilities of]~~
13 providers that serve proportionately high numbers of state-
14 subsidized clients and low-income families that are located in
15 communities with high poverty rates and that provide
16 nontraditional-hour child care.

17 ~~[D.]~~ E. The department, in conjunction with the
18 ~~[New Mexico finance]~~ authority, shall adopt rules to administer
19 and implement the Child Care Facility Loan Act, including
20 providing for eligibility requirements and for the selection of
21 applicants based on department-defined priority. The rules
22 shall become effective when filed in accordance with the State
23 Rules Act."