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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Silva</u>	<b>LAST UPDATED</b> _____ <b>ORIGINAL DATE</b> <u>2/11/25</u>
<b>SHORT TITLE</b> <u>Chaparral Local Governance Study</u>	<b>BILL NUMBER</b> <u>House Bill 288</u>
	<b>ANALYST</b> <u>Hilla</u>

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
\$0	\$100.0	Nonrecurring	General fund

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

### Sources of Information

LFC Files

Agency Analysis Received From  
 Department of Finance and Administration (DFA)

Agency Analysis was Solicited but Not Received From  
 New Mexico Council of Governments (COGs)  
 Municipal League (ML)

## SUMMARY

### Synopsis of House Bill 288

House Bill 288 (HB288) appropriates \$100 thousand from the general fund to the Department of Finance and Administration (DFA) for the purpose of providing a grant-in-aid to the southeastern council of governments to conduct a study on the feasibility and costs of governments for local governance in Chaparral. The study must include the following options: 1) incorporating Chaparral as a municipality of the state, 2) creating a new county, or 3) moving the line between Otero and Doña Ana counties.

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 \$100 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

DFA states that Chaparral currently is divided between Otero and Doña Ana counties. Previously, Chaparral received capital outlay funding via Doña Ana County as its fiscal agent, but Otero County was the entity responsible for the project, which caused confusion over the project. Because of this confusion, the southeastern council of governments, whose service area spans both Otero and Doña Ana counties, is a logical agent to assist in this feasibility study. A feasibility study could offer local governance options for Chaparral to avoid issues like the capital outlay project DFA mentions in its analysis.

## **ADMINISTRATIVE IMPLICATIONS**

DFA would enter into a grant agreement with the southeastern council of governments to obligate funds and issue payment reimbursements for valid feasibility expenditures.

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