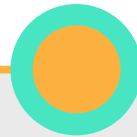




NEW MEXICO  
**FINANCE AUTHORITY**



# Overview of Proposed Legislation

Marquita D. Russel, CEO  
Fernando Martinez, Jr., Deputy Director

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## AN ACT

RELATING TO FINANCE; AUTHORIZING THE NEW MEXICO FINANCE AUTHORITY TO MAKE LOANS FOR PUBLIC PROJECTS FROM THE PUBLIC PROJECT REVOLVING FUND; DECLARING AN EMERGENCY.

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

SECTION 1. AUTHORIZATION OF PROJECTS.--Pursuant to Section 6-21-6 NMSA 1978, the legislature authorizes the New Mexico finance authority to make loans from the public project revolving fund for public projects as defined in Section 6-21-3 NMSA 1978. Pursuant to Section 6-21-6 NMSA 1978, loans of one million dollars (\$1,000,000) or less do not require specific authorization and need not be identified in this act. Authorization is given to the New Mexico finance authority to make loans to the following qualified entities on terms and conditions established by the authority:

**2025 bill expected to have approximately 150 projects at introduction. Historically bill gets amended once during its passage increasing the projects by 10%-110%.**

SECTION 2. VOIDING OF AUTHORIZATION.--If a qualified entity listed in Section 1 of this act has not certified to the New Mexico finance authority by the end of fiscal year 2028 its desire to continue to pursue a loan from the public project revolving fund for a public project listed in that section, the legislative authorization granted to the New Mexico finance authority by Section 1 of this act to make a loan from the public project revolving fund to that qualified entity for that public project is void.

# Proposed Legislation: PPRF Appropriation Bill



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- ◆ NMFA Act § 6-21-6.1 provides that at the end of the fiscal year after all debt service is made, reserve requirements are satisfied, and administrative costs paid, an amount not to exceed 35% of the previous year's Governmental Gross Receipt Tax may be appropriated by the legislature to one of seven funds. FY2024 GGRT totaled \$38,084,107 (35% = \$13,329,437)
  - Three administered by NMFA
    - Drinking Water State Revolving Fund (for 20% state match)
    - Local Government Planning Fund
    - Water & Wastewater Project Grant Fund
  - Three administered by NMED
    - Wastewater Facility Construction Loan Fund (operated as federal Clean Water State Revolving Fund)
    - Rural Infrastructure Revolving Loan Fund
    - Solid Waste Facility Grant Fund
  - One administered by Department of Cultural Affairs: Cultural Affairs Facilities Infrastructure Fund
- ◆ PPRF Appropriation Bill – **request to transfer \$13.25 million from the PPRF to:**
  - NMFA for Drinking Water State Revolving Loan Fund State Match -- \$6.25 million
  - Department of Cultural Affairs for its Infrastructure Fund -- \$5 million
  - NMFA for Local Government Planning Fund -- \$2 million
  - No request from NMED for Clean Water State Revolving Fund state match this year (last year's CWSRF match came from general fund instead of PPRF because PPRF did not have enough capacity)

# Proposed Legislation: WTB Authorization Bill



- ◆ 84 Applications submitted totaling \$238 million
  - 14 applicants were granted waivers for Preliminary Expenditure Target
  - 5 applicants were granted waivers for planning document
  - Applications made up of four project types:
    - 63 Water Storage, Conveyance, and Delivery Projects
    - 13 Flood Control Projects
    - 6 Water Conservation, Treatment & Reuse Projects
    - 3 Watershed Restoration and Management Projects
  - List includes a variety of applicants:
    - 39 Municipalities (up from 20 last year)
    - 26 MDWCAs (up from 17 last year)
    - 3 Soil & Water Conservation Districts (down from 6 last year)
    - 6 Counties (up from 4 last year)
    - 2 Water Authorities (down from 3 last year)
    - 3 Water & Sanitation District (same as last year)
    - 2 Districts (up from one last year)
    - 3 Pueblos (none last year)
- ◆ WTB to consider final recommendation at its October 29, 2024 Meeting

## Applications for projects in 25 Counties

- Bernalillo (5)
- Catron (1)
- Cibola (2)
- Colfax (1)
- Curry (2)
- Dona Ana (8)
- Grant (1)
- Harding (1)
- Lincoln (7)
- Los Alamos (2)
- Luna (7)
- McKinley (2)
- Multiple (2)
- Otero (5)
- Quay (1)
- Rio Arriba (6)
- Roosevelt (2)
- San Juan (9)
- San Miguel (2)
- Sandoval (7)
- Santa Fe (2)
- Sierra (1)
- Taos (4)
- Torrance (2)
- Union (1)
- Valencia (1)

- ◆ **Insufficient Program Funding** has resulted in NMFA responding to periodic requests for funding rather than helping care providers plan and fund their projects
  - **Primary Care Capital Fund - \$25 million request**
    - Total net general fund appropriations since 1995 = ~(\$900,000)
    - The Primary Care Association reports that its members operate 175 clinic sites in 90 NM communities – 80% of the sites are located in rural and frontier areas with limited or no other service providers and that demand continues to grow
    - Clinics frequently use a one-stop shop model that provides dental and behavioral health with primary care
  - **Behavioral Health Capital Fund - \$25 million request**
    - One-time capitalization of \$2,500,000 from the sale of bonds
    - Change made in 2019 to allow county-owned clinics has increased demand for program as counties work to establish substance abuse facilities
  - **Child Care Revolving Loan Fund - \$10 million request**
    - One-time net capitalization of federal funds = \$50,000
    - Experience with ECECD's recently completed \$13 million federally funded Supply Building Grant Program shows that new and expanding child care need low-cost funding. More than 2,500 slots are expected to be created through that program
    - ECECD reports that 15,000 new child care slots are needed to meet current demand