

1 HOUSE BILL 290

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

4 Linda Serrato

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9  
10 AN ACT

11 RELATING TO ECONOMIC DEVELOPMENT; ALLOWING FOR THE FORGIVENESS  
12 OF LOANS MADE TO CERTAIN BORROWERS PURSUANT TO THE CHILD CARE  
13 FACILITY LOAN ACT; PROVIDING CONDITIONS; EXPANDING USES OF THE  
14 LOANS; MAKING AN APPROPRIATION.

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

17 SECTION 1. Section 24-24-4 NMSA 1978 (being Laws 2003,  
18 Chapter 316, Section 4, as amended) is amended to read:

19 "24-24-4. FUND CREATED--ADMINISTRATION.--

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

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

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

15 C. No more than twenty percent of the fund may be  
16 loaned for a single provider in a single project. The  
17 department shall give priority for loans to facilities of  
18 providers that serve proportionately high numbers of state-  
19 subsidized clients and low-income families.

20 D. The department shall provide in a contract that  
21 a loan made to a provider, facility or employer to expand child  
22 care programs or to an employer to create or expand child care  
23 programs pursuant to Subsection B of this section shall be  
24 forgiven; provided that, within five years of disbursement of  
25 the loan, the provider, facility or employer:

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underscored material = new  
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1                   (1) demonstrates that at least fifty percent  
2 of the children that the provider, facility or employer serves  
3 are recipients of a child care assistance program expanded or  
4 created by the provider, facility or employer;

5                   (2) demonstrates that the number of children  
6 served by the provider, facility or employer increased by  
7 twenty-five percent; and

8                   (3) satisfies other qualifications as  
9 determined by the department and the New Mexico finance  
10 authority.

11                   ~~[D-]~~ E. The department, in conjunction with the New  
12 Mexico finance authority, shall adopt rules to administer and  
13 implement the Child Care Facility Loan Act. The rules shall  
14 become effective when filed in accordance with the State Rules  
15 Act."

16                   **SECTION 2. APPROPRIATION.**--One million seven hundred  
17 fifty thousand dollars (\$1,750,000) is appropriated from the  
18 general fund to the department of finance and administration  
19 for expenditure in fiscal year 2025 and subsequent fiscal years  
20 for the New Mexico finance authority to carry out the purposes  
21 of the child care facility revolving loan fund. Any unexpended  
22 or unencumbered balance remaining at the end of a fiscal year  
23 shall not revert to the general fund.