

BILL SUMMARY

Synopsis:

HB 19 would enact a new Economic Development statute and a new fund (the trade port development fund") to be administered by the Economic Development Department and its Cabinet Secretary to provide loans and grants for trade port projects.

HB 19 provides for the designation of statewide locations as a "trade port" and a "trade port district" in which "trade port projects" would be eligible to receive "trade port development funds". HB 19 defines "trade port" to mean "a multimodal system of facilities and services in a given location with the logistical capacity to efficiently manage cargo and enhance national supply chain resiliency by facilitating the movement and redistribution of goods and commodities to other locations" and defines "trade port districts " to mean "a distinct geographic area subject to the approval of the secretary pursuant to Subsection B of Section 7 of the Trade Ports Development Act within which proposed trade port projects may be approved for grants or loans. Further, HB 19 defines a "trade port project" to mean "a project subject to the approval of the secretary pursuant to Subsection C of Section 7 of the Trade Ports Development Act creating or modifying infrastructure for the construction of buildings or other facilities that support the functions of a trade port within an approved trade port district." The definition of "trade port" contemplates that electric utilities will be involved in providing electric service to "a multimodal system of facilities and services in a given location". HB 19 allows for public-private partnership agreements to be entered into to propose trade port projects that would be eligible for state economic development funds.

HB 19 creates the Trade Ports Advisory Committee ("Committee") and requires that the NMPRC appoint a representative to participate in the Committee. HB 19 states that "the Committee is comprised of (1) the secretary of economic development or the secretary's designee; (2) the secretary of finance and administration or the secretary's designee; (3) the secretary of energy, minerals and natural resources or the secretary's designee; (4) the secretary of environment or the secretary's designee; **(5) a representative of the public regulation commission appointed by the commission;** (6) the secretary of transportation or the secretary's designee; (7) the chief executive officer of the New Mexico finance authority or the chief executive officer's designee; and (8) five public members appointed by the New Mexico legislative council who shall have experience in law, architecture, planning, utilities, transportation or economic development." (emphasis added).

The Committee is tasked with the following duties: "B. review and recommend approval, modification or disapproval of specific geographic areas to be designated as trade port districts; C. review and recommend approval, modification or disapproval of proposed public-private partnership agreements for a trade port project; D. recommend modification or termination of existing approvals or designations for failure to meet the requirements of the Trade Ports Development Act; E. recommend the promulgation of rules establishing the application process and criteria for the approval of public-private partnership agreements in accordance with the provisions of the State Rules Act; F. recommend approval or disapproval of applications for grants or loans from the trade ports development fund for trade port projects; G. consult with state agencies on technical issues relevant to the trade ports advisory committee's consideration of an application; and H. request updates to any technical information, including any annual certification, provided in connection with an approved application or designation."

HB 19 authorizes the Secretary of the EDD to make grants and loans to public-private

partnerships to facilitate the construction and establishment of new trade port projects. These grants and loans are funded by the newly created “trade port development fund.”

HB 19 enacts a new section of the Tax Administration Act, requiring a distribution to the trade port development fund, before July 1, 2035, of one percent of the net receipts from the gross receipts tax, after required distributions have been made according to Sections 7-1-6.46 and 7-1-6.47 NMSA 1978. Additionally, Section 7-14-10 NMSA 1978 is amended to distribute four (4) percent of the motor vehicle excise tax from the motor vehicle suspense fund to the trade port development fund.

Additionally, HB 19 creates an exemption to the competitive bid requirements of the Procurement Code for the public-private partnership agreements and makes an appropriation to the trade port development fund.

The bill requires the secretary to submit a report to the governor and legislative finance committee by December 1, 2025, and annually thereafter, with a list of approved trade port districts and projects, details on the businesses and industries involved in each approved district and project, information on approved grant and loan applications, a summary of approved public-private partnership agreements, a status update of the trade ports development fund, and recommendations for any changes to the Trade Ports Development Act.

FISCAL IMPLICATIONS

HB 19 would require a PRC public utility economist to participate in the duties of the Committee (5 hours a week). This would result in a fiscal impact of fifteen thousand one hundred dollars (\$15,100) for FY26 and sixteen thousand dollars (\$16,000) for FY27.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

HB 19 requires a Commission designated employee to participate in the duties of the Committee.

ADMINISTRATIVE IMPLICATIONS

HB 19 requires a Commission designated employee to participate in the duties of the Committee.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The bill implies that electric and gas utilities are eligible to be part of the public-private partnership, but not expressly. For clarity, state the public-private partnerships include investor-owned utilities that provide electric service or gas service to a facility, system or building that comprise a trade port project.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None.