

**LFC Requester:**

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

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*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/6/2025 *Check all that apply:*  
**Bill Number:** HB 276 Original  Correction   
 Amendment  Substitute

**Sponsor:** Joy Garret, Patricia Lundstrom, Cathrynn Brown, Michael Padilla, Art De La Cruz **Agency Name and Code:** Economic Development Department  
**Short Title:** Public-Private Partnership Fund and Program **Number:** 41900 **Person Writing:** Channing Hofman  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
TBD	TBD	Recurring	Public Project Revolving Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: House Bill 276 creates the Public-Private Partnership Fund and the Public-Private Partnership Program. The Program, through the Fund, provides grants to public partners to complete broadband and transportation projects. The Fund and Program is administered by the Local Government Division of the Department of Finance and Administration (DFA) in consultation with the New Mexico Finance Authority (NMFA), including rulemaking and grant administration.

House Bill 276 amends Section 6-21-6.1 NMSA 1978 to include the Public-Private Partnership Fund as a valid recipient of funds appropriated from the Public Project Revolving Fund.

House Bill 276 amends Section 13-1-98 NMSA 1978 to include public-private partnership agreements for broadband projects and transportation projects pursuant to this bill as exempt from the procurement code.

#### **FISCAL IMPLICATIONS**

The funds to administer the Public-Private Partnership Fund and Program comes from the Public-Private Partnership Fund. House Bill 276 appropriates funds from the Public Project Revolving Fund on a recurring basis but does not specify an amount. Rather, the Public-Private Partnership Fund is part of a cohort of funds eligible to receive, in the aggregate, no more than 35% of the governmental gross receipts tax proceeds distributed to the Public Project Revolving Fund. The Department of Finance and Administration in coordination with the New Mexico Finance Authority Oversight Committee may recommend annually to the Legislature the amounts to be appropriated.

Adding the Public-Private Partnership Fund as a recipient of funds from the Public Project Revolving Fund will likely reduce the amount of funds received by the other funds in the cohort including:

- The Wastewater Facility Construction Loan Fund;
- The Rural Infrastructure Revolving Loan Fund;
- The Solid Waste Facility Grant Fund;
- The Drinking Water State Revolving Loan Fund;
- The Water and Wastewater Project Grant Fund;
- The Local Government Planning Fund.
- The Cultural Affairs Facilities Infrastructure Fund

House Bill 276 does not provide new FTEs for the administration of the Public-Private Partnership Fund and Program which may strain the capacities of the Local Government Division to administer the Fund and Program.

## **SIGNIFICANT ISSUES**

House Bill 276 opens new avenues for funding broadband and transportation projects through public-private partnerships. In partnering with the private sector on these projects, grant monies awarded through the Program can be leveraged to attract private investment. As these projects are also exempt from procurement code regulations through House Bill 276, there are fewer barriers and more opportunities for innovative approaches to broadband and transportation project development.

Public-private partnerships require an alignment in goals and outcomes for both the public and private entities. Private entities seek to maximize investment returns, the securing of which may conflict with the desired outcomes of the public project. This tension may hinder the ability of local governments to negotiate partnerships that maximize public benefit with private entities.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**