

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(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: 2/10/2025 *Check all that apply:*
Bill Number: H288-341 Original Correction
 Amendment Substitute

Sponsor: Rep. Silva **Agency Name and Code:** DFA-341
Short Title: CHAPARRAL LOCAL GOVERNANCE STUDY **Number:** _____
Person Writing: Cristina Martinez **Phone:** _____ **Email:** Cristina.Martinez@dfa.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	(\$100.0)	Nonrecurring	General 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
Total						

(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

- House Bill 288 (HB288) appropriates \$100,000 to the Local Government Division (LGD) of the Department of Finance and Administration for the Southeastern Council of Governments to conduct a study on the feasibility and costs of options to incorporate Chaparral as a municipality of the state.

The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

- HB288 appropriates \$100,000 from the general fund for expenditure in FY 2026.
- Any unexpended or unencumbered balance remaining at the end of FY 2026 will revert to the general fund.

SIGNIFICANT ISSUES

- Chaparral is currently divided between Otero and Dona Ana County.
- Chaparral has received prior Capital Outlay funding from Dona Ana County; however, Otero County was the responsible entity for the project which has caused confusion.
- Funding will allow for a feasibility study of options for local governance in Chaparral.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

To distribute funding, LGD would need to enter into a grant agreement with the Southeastern Council of Governments to obligate funds and issue payment reimbursements for valid expenditures.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS