

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: 1/31/2025 *Check all that apply:*
Bill Number: SB169 Original Correction
Amendment Substitute

Sponsor: Padilla **Agency Name and Code:** Municipal League (ML)
Short Title: STRATEGIC ECONOMIC DEVELOPMENT SITE **Number:** _____
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SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate, potentially significant	Indeterminate, potentially significant	Indeterminate, potentially significant	Recurring	Municipalities

(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: Senate Bill 169 allows the state Economic Development Department to assess and designate “strategic economic development sites,” based on a number of criteria. The bill also creates the “strategic economic development site advisory committee” to review and recommend the designation of the proposed strategic economic development sites, and also recommend grants or loans from the site readiness fund and other funding sources. Once designated, EDD can solicit proposals from public and private partners for site pre-development, to include planning, environmental assessments, infrastructure improvements and other projects. The bill also creates the site readiness fund, with a \$24 million appropriation from the general fund to fund studies of the proposed sites and site preparation.

FISCAL IMPLICATIONS

Specific fiscal impacts on municipalities are difficult to quantify without significant additional analysis, but SB169 could impose financial burdens on municipalities if they are required to upgrade infrastructure, such as roads, water and sewer systems, and public utilities, to accommodate state-designated site development projects. Additionally, if local governments are not involved in the initial site selection process and site development, they likely would not be able to plan for additional investments in these services and infrastructure.

SIGNIFICANT ISSUES

Some provisions of SB169 appear to infringe on local authority and decision-making. The bill provides that the Economic Development Department can assess potential sites for “immediate” development, solicit proposals for pre-development projects, and fund “site preparation.” However, the bill does not mention local permitting, local planning and zoning, local land use, or any other local regulations or restrictions that would impact development of “strategic economic development sites,” leaving it unclear what input, if any, local governments are intended to have in site development. Further, the bill does not provide for any local representation on the strategic economic development site advisory committee.

By allowing the state to identify and certify strategic economic development sites, without explicit safeguards to protect local land use authority and regulatory oversight, the bill appears to sideline local governments in decisions that should remain within local jurisdiction. Because the bill does not specify any local government role in the mechanisms or processes laid out in the bill, it appears that local zoning provisions, environmental reviews, and community input and planning efforts could be overridden or bypassed in favor of state-designated priorities. This raises concerns about whether local elected officials and planning bodies will retain meaningful control over how land within their boundaries is developed, particularly in cases where the state’s economic development goals may conflict with community interests or infrastructure or service limitations.

Municipalities could also find themselves bearing financial and operational obligations of supporting infrastructure and public services – for example, water, wastewater, sewer, trash, fire, police services – for new developments that they had little or no say in approving.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

SB169 should include language that makes it clear that the provisions of the proposed act do not preempt local rules and regulations, and that any site development is subject to permitting, zoning, land use, and other applicable rules and regulations as provided by the jurisdiction in which the site is located.

The bill should provide that the secretary consult with the local jurisdiction prior to submitting proposals for pre-site development and impacted local governments shall be included in the review process for pre-development projects, particularly as it relates to public infrastructure and service capacity.

The bill should also include local representation on the proposed committee (e.g. representatives of the New Mexico Municipal League and New Mexico Counties).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS