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| LFC Requester: | J. Rodriguez |
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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: 1/29/25 *Check all that apply:*
Bill Number: SB 174 Original Correction
 Amendment Substitute

Sponsor: Crystal Brantley **Agency Name and Code Number:** New Mexico Spaceport Authority, Agency 49500
Short Title: Spaceport District Fund Investment **Person Writing:** Art Trujillo
Title: _____ **Phone:** 575-281-0238 **Email:** Art.trujillo@spaceport

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25 | FY26 | | |
| N/A | N/A | | |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY25 | FY26 | FY27 | | |
| N/A | N/A | N/A | | |
| | | | | |

(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 | N/A | N/A | N/A | N/A | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None noted.
Duplicates/Relates to Appropriation in the General Appropriation Act: None noted.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: “An Act relating to Regional Spaceport Districts; providing that the boards of Regional Spaceport Districts employ the State Investment Council or State Treasurer to invest funds in a Local Government Investment Pool.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

The current statute for the Regional Tax District states that they will invest funds in the State Investment Council (SIC) which after discussions with SIC, they have stated that their funds are for long term purposes and should not be used for temporary holding such as a normal bank DDA (Demand Deposit Account). The Tax District has approved funding to the New Mexico Spaceport Authority (NMSA) for construction purposes and the SIC has stated that their fund requirements are not suitable for this type of activity, and they have recommended that the Tax District present legislation to add the ability to invest in a LGIP (Local Government Investment Pool) account administered by the New Mexico State Treasurer’s Office. Bill SB 174 does precisely that.

PERFORMANCE IMPLICATIONS

The current legislation which requires the Regional Tax District to invest in an SIC is not flexible enough to permit disbursements to the New Mexico Spaceport Authority (NMSA). Although the Tax Board has only approved one disbursement so far, more disbursements are expected in the future. This would adversely affect NMSA’s ability to administer construction projects in a timely manner and would cause unnecessary and costly delays and affects other funding provided by bonds issued from the New Mexico Board of Finance. Project shortfalls and delays in uses of bond funds before bond maturities would occur.

ADMINISTRATIVE IMPLICATIONS

The Reginal Tax District has currently approved a disbursement to NMSA under approval of the Board of Directors and is awaiting a deposit account establishment with the SIC. In addition, or in lieu of the establishment of this account, the Tax District Board may wish to consider the establishment of an LGIP, whichever best suits their purposes, which includes disbursements to NMSA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

5-16-8 NMSA 1978 is referenced in SB 174, and 58-31-1 NMSA 1978 also known as the

“Spaceport Development Act” and are related in the following manner. Article 16 creates the Regional Spaceport District which is commonly known as the Spaceport Tax District Board while Article 31 creates the New Mexico Spaceport Authority and is related to the Tax District since the District collects GRT monies for payment on bond debts issued on behalf of the Tax Authority. There is no conflict, duplication or other issues that affect these two statutes, and I wanted to point out this relationship between the two agencies.

TECHNICAL ISSUES

No technical issues are known at this time.

OTHER SUBSTANTIVE ISSUES

None noted at this time.

ALTERNATIVES

The Regional Spaceport District could continue to remain with the SIC however this would delay disbursements to NMSA, which is not a viable alternative. Construction funding may need to be sought elsewhere if this occurs and could result in project shortfalls.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The New Mexico Spaceport Authority is depending on disbursements from the Regional Spaceport District to continue its capital project planning and delays in construction will negatively impact the Authority’s ability to expand its facilities and would cause the attraction of both existing and potential customers to seek facilities elsewhere which would have a direct negative impact on the economic development of the State of New Mexico.

AMENDMENTS

None noted or recommended.