

LFC Requester:	Emily Hilla
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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: 2/14/2025 *Check all that apply:*
Bill Number: SB 357 Original Correction
 Amendment Substitute

Sponsor: <u>Sen. Carrie Hamblen</u>	Agency Name and Code Number: <u>430 – Public Regulation Commission</u>
Short Title: <u>Essential Services Development Act</u>	Person Writing: <u>J. Bogatko</u>
	Phone: <u>(505)490-2696</u> Email: <u>jerri.mares@prc.nm.gov</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(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

Synopsis: SB 357 is comprised of 10 SECTIONS of new material to carry out the aims of the proposed “Essential Services Development Act”. In summary, the proposed legislation lays out a framework and process to allow state support for local government infrastructure projects that facilitate residential access to internet, energy, water and wastewater services.

SECTION 1 states that the act may be cited as the “Essential Services Development Act”.

SECTION 2 provides operative definitions referable to the Act, including but not limited to “broadband telecommunications network facilities”; “essential services project” or “project”, which are specified to mean “an infrastructure project that allows access to internet, energy, water and wastewater services primarily for residential purposes”; and “public support”, which means “the provision of assistance by the state to provide direct or indirect assistance to support an essential services project . . .”

SECTION 3 specifies that public support shall be specifically authorized by law and that only the state may provide public support.

SECTION 4 states that the local government division of the department of finance and administration, at the request of a local or regional government, shall provide technical assistance in the development of an essential services plan or project.

SECTION 5 establishes the framework for essential services development plans on the part of local or regional governmental entities, including the required contents for such plans and the requirement that these plans shall be made publicly available to the residents within the local or regional government area.

SECTION 6 provides that two or more municipalities, two or more counties or one or more municipalities and counties may enter a joint powers agreement pursuant to the Joint Powers Agreement Act to develop a regional essential services development plan, which may consist of existing local plans. It is further required that such joint powers agreements shall provide for the appointment of a project manager who shall be responsible for the management of projects and money from public support.

SECTION 7 sets forth a framework for receiving applications for public support after the adoption of an essential services plan. Applications shall be on a form and in a manner prescribed by the local or regional government. Further, the local or regional government shall review each application, and any project determined to be eligible for public support shall be approved by ordinance. Evaluation of such applications shall be based on the provisions of the essential services development plan and any other information the local or regional government believes is necessary for a full review of such applications. The local or regional government is permitted to negotiate with an applicant regarding the type or amount of public support to be provided or the scope of the essential services project.

SECTION 8 requires that public support money shall be deposited in a special fund; that public support money shall be expended only for essential services project purposes; and that separate accounts shall be established for each essential services project.

SECTION 9 addresses plan and project termination and the disposition of unexpended funds. Termination of an essential services development plan and dissolving or terminating any public support for essential services projects shall be accomplished by the local or regional government enacting an ordinance. Unexpended and unencumbered balances shall be returned to the state treasurer, who shall deposit the returned amount in the general fund.

SECTION 10 states that if public support is provided for an essential services project, the local government division of the department of finance shall enter into a project participation agreement with the local or regional government. This Section sets out the minimum contents for such an agreement: a description of the public support to be provided for the essential services project; a schedule for project development and completion, including measurable goals and time limits for those goals; provisions for performance review and actions to be taken upon determination of unsatisfactory performance; and a description of how the local or regional government will safeguard public money or other resources provided as public support for the essential services project.

FISCAL IMPLICATIONS

None to the PRC.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

None.