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## FISCAL IMPACT REPORT

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| <b>SPONSOR</b> <u>HCEDC</u>                               | <b>LAST UPDATED</b><br><hr/> <b>ORIGINAL DATE</b> <u>2/10/24</u> |
| <b>SHORT TITLE</b><br><u>Study Border Development Act</u> | <b>BILL NUMBER</b> <u>CS/House Memorial 56/HCEDCS</u>            |
|   | <b>ANALYST</b> <u>Daly</u>                                       |

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

| Agency/Program | FY24                      | FY25                      | FY26 | 3 Year Total Cost         | Recurring or Nonrecurring | Fund Affected |
|----------------|---------------------------|---------------------------|------|---------------------------|---------------------------|---------------|
|                | Indeterminate but minimal | Indeterminate but minimal |      | Indeterminate but minimal | Nonrecurring              | General Fund  |

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

Relates to HB307.

### Sources of Information

LFC Files

Agency Analysis Received From  
 Border Authority (NMBA)\*  
 New Mexico Attorney General (NMAG)\*

Agency Analysis Requested but Not Received From\*  
 Council of Governments

\*On original bill

## SUMMARY

### Synopsis of HCEDC Substitute for House Memorial 56

The House Commerce and Economic Development Committee substitute for House Memorial 56 (CS/HM56) requests the South Central Council of Governments (SCCOG) convene a series of meetings with state and local shareholders along the state’s border with Mexico to study the Border Development Act (BDA), and make recommendations for and draft legislation updating the BDA to reflect the current needs of the Border Authority (NMBA) designed to increase transparency and accountability and inform the state of the value of NMBA in overseeing economic and other growth along that border. CS/HM56 suggests in its whereas clauses the proposed legislation address matters including:

- Setting forth qualifications for NMBA membership, including professional requirements;
- Inclusion of executive and legislative members in NMBA’s membership; and

- Expansion of NMBA’s reporting requirements beyond NMFA, including the Legislative Finance Committee, to increase oversight and transparency to the Legislature and the public.

HM56 requests the proposed legislation be presented to the appropriate interim committees that address economic development and infrastructure during the 2024 interim.

## **FISCAL IMPLICATIONS**

The Council of State Governments is a joint governmental agency of the state. It receives its funding from the Department of Finance and Administration and other state agencies. It is unknown whether it can absorb the costs of the study requested in this memorial with current funds, which costs LFC staff estimates will be minimal.

## **SIGNIFICANT ISSUES**

NMBA commented in its earlier analysis of the original memorial that it directs New Mexico border counties and municipalities draft legislation regarding an executive branch agency. NMBA noted that it did not provide for NMBA or Economic Development Department (EDD), to which it is attached, to participate in the activities outlined in this memorial, although the focus of the memorial is NMBA’s enabling legislation. This anomaly is still present in this substitute. Additionally, NMBA noted that a participating county or municipality as a stakeholder may have infrastructure or other legislative requests that may pose a conflict of interest.

Although CS/HM56 states in its 10th whereas clause that NMBA does not have statutory authority to adopt rules. NMAG provides legal assistance to NMBA, and calls attention to an existing provision in the act that grants NMBA authority to promulgate rules. See Section 58-27-10(B)(2), NMSA 1978.

## **PERFORMANCE IMPLICATIONS**

NMBA reported it recently contracted with a consultant to update its website to include the information set out in the original HM56.

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

Relates to HB307, which removes NMBA from being administratively attached to EDD and changes the composition of NMBA.

## **ALTERNATIVES**

NMBA reported it will be holding meetings in each of the border counties in 2024, to which all elected officials will be invited to provide input on changes to the Border Development Act. Further, NMBA’s officers and staff will attend interim committee meetings as requested.