

1 HOUSE BILL 188

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO STATE GOVERNMENT; CREATING THE ECONOMIC TRANSITION
12 DIVISION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT; EXPANDING
13 THE MEMBERSHIP OF THE SUSTAINABLE ECONOMY ADVISORY COUNCIL;
14 ENACTING THE ECONOMIC TRANSITION ACT; MAKING APPROPRIATIONS.
15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

17 SECTION 1. Section 9-15-4 NMSA 1978 (being Laws 1983,
18 Chapter 297, Section 4, as amended) is amended to read:

19 "9-15-4. DEPARTMENT ESTABLISHED.--There is created in the
20 executive branch the "economic development department". The
21 department shall be a cabinet department and shall consist of,
22 but not be limited to, [~~six~~] seven divisions as follows:

- 23 A. the administrative services division;
24 B. the economic development division;
25 C. the New Mexico film division;

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- 1 D. the technology enterprise division;
- 2 E. the trade and Mexican affairs division; ~~and~~
- 3 F. the New Mexico outdoor recreation division; and
- 4 G. the economic transition division."

5 SECTION 2. Section 9-15-58 NMSA 1978 (being Laws 2021,
6 Chapter 42, Section 1) is amended to read:

7 "9-15-58. SUSTAINABLE ECONOMY TASK FORCE--CREATED--
8 STAFF.--

9 A. The "sustainable economy task force" is created
10 and is administratively attached to the economic development
11 department. The task force consists of the following voting
12 members as follows:

13 (1) the commissioner of public lands or the
14 commissioner's designee;

15 (2) the secretary of economic development or
16 the secretary's designee;

17 (3) the secretary of finance and
18 administration or the secretary's designee;

19 (4) the secretary of taxation and revenue or
20 the secretary's designee;

21 (5) the secretary of energy, minerals and
22 natural resources or the secretary's designee;

23 (6) the secretary of Indian affairs or the
24 secretary's designee;

25 (7) the secretary of workforce solutions or

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1 the secretary's designee;

2 (8) the secretary of general services or the
3 secretary's designee;

4 (9) the secretary of higher education or the
5 secretary's designee;

6 (10) the secretary of public education or the
7 secretary's designee;

8 (11) the secretary of environment or the
9 secretary's designee;

10 (12) the state investment officer or the state
11 investment officer's designee; and

12 (13) the chair of the sustainable economy
13 advisory council.

14 B. The chair of the task force shall be the
15 secretary of economic development or the secretary's designee,
16 and the vice chair of the task force shall be the member
17 serving as the chair of the sustainable economy advisory
18 council. The task force shall meet at the call of the chair.

19 C. The "sustainable economy advisory council" is
20 created and is administratively attached to the economic
21 development department. The advisory council shall advise the
22 sustainable economy task force and the director of the economic
23 transition division of the department on developing and
24 achieving the goals of the strategic plan provided in Section
25 [~~2 of this 2021 act~~] 9-15-59 NMSA 1978. The advisory council

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1 shall consist of the following members:

2 (1) one representative of local governments,
3 appointed by the chair of the task force;

4 (2) ~~two~~ three representatives of
5 disproportionately impacted communities or organizations with
6 experience working with disproportionately impacted
7 communities, appointed by the chair of the task force;

8 (3) two representatives of organizations with
9 experience in sustainable economic development planning and
10 workforce development, appointed by the chair of the task
11 force;

12 (4) one representative from industry and
13 business sectors involved in achieving or that may be affected
14 by the goals of the sustainable economy task force, appointed
15 by the chair of the task force; ~~and~~

16 (5) eight representatives of tribal
17 governments or entities, appointed by the Indian affairs
18 department;

19 (6) one representative of organizations that
20 operate apprenticeship programs, appointed by the chair of the
21 task force in consultation with the current members of the task
22 force;

23 (7) two representatives of worker
24 organizations representing workers in communities in transition
25 as defined in Paragraph (1) of Subsection B of Section 3 of

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1 this 2023 act, appointed by the chair of the task force in
2 consultation with the current members of the task force; and
3 (8) two representatives of higher education
4 workforce development programs, appointed by the chair of the
5 task force in consultation with the current members of the task
6 force.

7 D. The chair of the advisory council shall be
8 elected by the members of the advisory council.

9 E. Members of the task force and advisory council
10 may receive per diem and mileage pursuant to the Per Diem and
11 Mileage Act.

12 F. The economic development department shall
13 provide the necessary staff and administrative support to the
14 task force.

15 G. As used in this section, "disproportionately
16 impacted community" means a community or population of people
17 for which multiple burdens, including environmental and
18 socioeconomic stressors, inequity, poverty, high unemployment,
19 pollution or discrimination, may act to persistently and
20 negatively affect the health, well-being and environment of the
21 community or population and includes tribal communities,
22 communities of color and low-income rural communities and
23 native people, people of color, women, immigrants, youth,
24 formerly incarcerated people, lesbian, gay, bisexual,
25 transgender and queer people and people with disabilities."

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1 SECTION 3. A new section of the Economic Development
2 Department Act is enacted to read:

3 "[NEW MATERIAL] ECONOMIC TRANSITION DIVISION--DUTIES.--

4 A. The economic transition division of the
5 department shall:

6 (1) provide programmatic support to fulfill
7 recommendations of the sustainable economy task force for
8 communities in transition and workers in transition and
9 implement the recommendations of the New Mexico clean energy
10 workforce development study commissioned by the workforce
11 solutions department and published in June 2020;

12 (2) support the economic transition of
13 disproportionately impacted communities, communities in
14 transition and workers in transition from natural resource
15 extraction industries;

16 (3) identify public and private funding
17 sources to support disproportionately impacted communities,
18 communities in transition and workers in transition;

19 (4) coordinate state agencies and coordinate
20 with the federal government in the economic transition of
21 disproportionately impacted communities, communities in
22 transition and workers in transition;

23 (5) provide administrative, logistical,
24 research and policy support to the sustainable economy task
25 force and the sustainable economy advisory council;

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1 (6) administer the economic transition fund
2 and provide grants, loans and other financial assistance for
3 economic transition projects and eligible entities to support
4 disproportionately impacted communities, communities in
5 transition and workers in transition;

6 (7) provide technical assistance to
7 disproportionately impacted communities and communities in
8 transition to identify funding streams; and

9 (8) receive and report on state, federal and
10 other funding.

11 B. As used in this section:

12 (1) "community in transition" means a
13 municipality, county, region or Indian nation, tribe or pueblo
14 that faces historic, current or future significant economic
15 disruption due to the transition from dependency on or market
16 fluctuations in natural resource extractive industries;

17 (2) "disproportionately impacted community"
18 means a community or population of people for which multiple
19 burdens, including environmental and socioeconomic stressors,
20 inequity, poverty, high unemployment, pollution or
21 discrimination, may act to persistently and negatively affect
22 the health, well-being and environment of the community or
23 population and includes tribal communities, communities of
24 color and low-income rural communities and native people,
25 people of color, women, immigrants, youth, formerly

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1 incarcerated people, lesbian, gay, bisexual, transgender and
2 queer people and people with disabilities;

3 (3) "economic transition" means the economic,
4 social, health and environmental conditions of workers and
5 communities that are impacted by significant job loss or the
6 loss of one or more industries on which a community depends;

7 (4) "economic transition project" means a
8 project that improves the physical and social infrastructure of
9 communities in transition, provides support to workers in
10 transition, ensures health and safety standards in fossil fuel
11 and emerging industries or promotes economic and workforce
12 development opportunities in non-extractive industries;

13 (5) "eligible entity" means a county,
14 municipality or other political subdivision of the state; an
15 Indian nation, tribe or pueblo or tribal entity; a state
16 agency; an apprenticeship program registered with the state of
17 New Mexico or the United States department of labor; a public
18 post-secondary educational institution; or a public or private
19 nonprofit organization or association; and

20 (6) "worker in transition" means an individual
21 who has lost or is likely to lose work, employment or income
22 due to changes in market fluctuations, industry downsizing or
23 the phaseout of an extractive industry."

24 SECTION 4. [NEW MATERIAL] SHORT TITLE.--Sections 4
25 through 7 of this act may be cited as the "Economic Transition
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1 Act".

2 SECTION 5. [NEW MATERIAL] DEFINITIONS.--As used in the
3 Economic Transition Act:

4 A. "community in transition" means a municipality,
5 county, region or Indian nation, tribe or pueblo that faces
6 historic, current or future significant economic disruption due
7 to the transition from dependency on natural resource
8 extractive industries;

9 B. "department" means the economic development
10 department;

11 C. "disproportionately impacted community" means a
12 community or population of people for which multiple burdens,
13 including environmental and socioeconomic stressors, inequity,
14 poverty, high unemployment, pollution or discrimination, may
15 act to persistently and negatively affect the health,
16 well-being and environment of the community or population and
17 includes tribal communities, communities of color and
18 low-income rural communities and native people, people of
19 color, women, immigrants, youth, formerly incarcerated people,
20 lesbian, gay, bisexual, transgender and queer people and people
21 with disabilities;

22 D. "division" means the economic transition
23 division of the department;

24 E. "economic transition" means the economic,
25 social, health and environmental conditions of workers and

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1 communities that are impacted by significant job loss or the
2 loss of one or more industries on which a community depends;

3 F. "eligible entity" means a county, municipality
4 or other political subdivision of the state; a state agency; an
5 Indian nation, tribe or pueblo or tribal entity; an
6 apprenticeship program registered with the state of New Mexico
7 or the United States department of labor; a public
8 post-secondary educational institution; or a public or private
9 nonprofit organization or association;

10 G. "Indian nation, tribe or pueblo" means a
11 federally recognized Indian nation, tribe or pueblo located
12 wholly or partially in New Mexico;

13 H. "secretary" means the secretary of economic
14 development;

15 I. "tribal entity" means an enterprise, a nonprofit
16 entity or organization or a political subdivision formed under
17 the inherent sovereignty of an Indian nation, tribe or pueblo;
18 and

19 J. "worker in transition" means an individual who
20 has lost or is likely to lose work, employment or income due to
21 changes in market conditions, industry downsizing or the
22 phaseout of an extractive industry.

23 SECTION 6. [NEW MATERIAL] ECONOMIC TRANSITION ACTION
24 PLAN.--

25 A. On or before December 31, 2024, the division, in
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1 consultation with the sustainable economy task force and the
2 sustainable economy advisory council, shall prepare and publish
3 an economic transition action plan and publish the plan. The
4 plan shall be transmitted to the governor, the secretary, the
5 chair and vice chair of the legislative finance committee and
6 the library of the legislative council service.

7 B. The economic transition action plan shall:

8 (1) provide data about the status of New
9 Mexico's natural resource extractive industries, including
10 economic, environmental and demographic trends affecting
11 disproportionately impacted communities, communities in
12 transition and workers in transition;

13 (2) identify disproportionately impacted
14 communities and communities in transition in New Mexico using
15 relevant economic, environmental justice, health and
16 demographic analyses;

17 (3) provide a cost projection for the
18 long-term implementation of the economic transition action plan
19 and the economic transition fund;

20 (4) identify potential sources of funding that
21 may be accessed from federal, state, local and other sources
22 without additional legislative authority or approval;

23 (5) identify potential sources of funding that
24 may be accessed from federal, state, local and other sources
25 with additional legislative or voter approval;

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1 (6) develop guidelines and criteria for a
2 grant and loan program, technical support and other
3 programmatic support for disproportionately impacted
4 communities, communities in transition, workers in transition
5 and eligible entities to help workers in transition build new
6 skills, find new jobs or start businesses and identify
7 strategies appropriate to the strengths and assets of each
8 community;

9 (7) develop guidelines and criteria for a
10 grant and loan program, technical support and other
11 programmatic support for disproportionately impacted
12 communities, communities in transition, workers in transition
13 and eligible entities to develop programs that will create new
14 jobs, promote healthy and sustainable communities and support
15 workforce and community development in non-extractive
16 businesses and industries;

17 (8) identify ways to attract new businesses or
18 economic activity to disproportionately impacted communities
19 and communities in transition;

20 (9) work with the workforce solutions
21 department to recommend benefits for workers in transition;

22 (10) work with the workforce solutions
23 department to recommend rapid response and peer support
24 programs for workers in transition;

25 (11) work with the workforce solutions

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1 department to expand the services provided by the workforce
2 connections offices in communities in transition;

3 (12) promote and enforce health and safety
4 standards and guidelines outlined by the federal occupational
5 safety and health administration for extractive industries and
6 emerging industries;

7 (13) work with the workforce solutions
8 department to prepare estimates of:

9 (a) the total number of workers employed
10 by fossil fuel and other natural resource extraction industries
11 in New Mexico;

12 (b) the total number of workers whose
13 existing jobs will be retained or eliminated as a result of the
14 closure of fossil fuel and other natural resource extraction
15 industries and the classification of jobs;

16 (c) the total number of workers who will
17 be retained to continue to work for the fossil fuel and natural
18 resource extraction industries or as contractors in a new job
19 classification;

20 (d) the total number of workers who will
21 not be offered other employment by the fossil fuel or natural
22 resource extraction industry;

23 (e) the total number of workers who will
24 be retained by being transferred to another facility owned by
25 the company or offered other employment by the same employer or

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1 contractor; and

2 (f) the total number of workers who will
3 retire as planned, be offered early retirement or leave on
4 their own;

5 (14) identify additional resources to invest
6 in communities in transition and disproportionately impacted
7 communities that support economic transition and promote
8 healthy and sustainable communities; and

9 (15) include policy recommendations.

10 C. In preparing the economic transition plan, the
11 division shall:

12 (1) require community feedback and public
13 engagement;

14 (2) focus on rural areas, disproportionately
15 impacted communities and communities in transition; and

16 (3) include opportunities for virtual
17 participation.

18 SECTION 7. [NEW MATERIAL] ECONOMIC TRANSITION FUND
19 CREATED--ANNUAL REPORT.--

20 A. The "economic transition fund" is created in the
21 state treasury. The fund consists of appropriations, payments
22 of principal and interest on loans made from the fund, income
23 from investment of the fund and any other money distributed or
24 otherwise allocated to the fund. The division shall administer
25 the fund. Balances in the fund at the end of any fiscal year
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1 shall not revert to the general fund.

2 B. Money in the economic transition fund may be
3 used to provide grants and loans for financing workforce
4 development, apprenticeship programs, training programs and
5 economic support programs approved by the secretary. As used
6 in this subsection, "economic support programs" means programs
7 that provide financial assistance to workers in transition,
8 regardless of immigration status, to offset changes in income
9 and to participate in job training and readiness programs,
10 including expanded unemployment benefits, supplemental income,
11 monetary incentives, relocation assistance, child care stipends
12 and other grants and loans.

13 C. Money in the economic transition fund may be
14 used pursuant to Subsection B of this section only for grants
15 or loans to an eligible entity.

16 D. Money in the economic transition fund may be
17 used for administrative and reimbursable costs incurred by the
18 department subject to the legislative appropriation process.

19 E. Disbursements from the economic transition fund
20 shall be made by warrant of the secretary of finance and
21 administration pursuant to vouchers signed by the secretary of
22 economic development or the secretary's authorized
23 representative.

24 F. By December 1, 2023, and by December 1 of each
25 year thereafter, the secretary shall provide a report to the

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1 governor and the library of the legislative council service
2 regarding:

3 (1) grants and loans approved by the secretary
4 pursuant to Subsection B of this section;

5 (2) the status of repayment obligations for
6 loans made pursuant to Subsection B of this section;

7 (3) money used for administrative and
8 reimbursable costs pursuant to Subsection D of this section;
9 and

10 (4) the status of the economic transition
11 fund.

12 SECTION 8. APPROPRIATIONS.--

13 A. Eight hundred eighty-five thousand dollars
14 (\$885,000) is appropriated from the general fund to the
15 economic development department for expenditure in fiscal year
16 2024 to establish the economic transition division of the
17 department and to implement the Economic Transition Act. Any
18 unexpended or unencumbered balance remaining at the end of
19 fiscal year 2024 shall revert to the general fund.

20 B. Two million five hundred thousand dollars
21 (\$2,500,000) is appropriated from the general fund to the
22 economic development department for expenditure in fiscal year
23 2024 and subsequent fiscal years to support community
24 engagement by the sustainable economy task force and the
25 sustainable economy advisory council. Any unexpended or

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1 unencumbered balance remaining at the end of a fiscal year
2 shall not revert to the general fund.

3 C. Ten million dollars (\$10,000,000) is
4 appropriated from the general fund to the economic transition
5 fund for expenditure in fiscal year 2024 and subsequent fiscal
6 years to provide assistance to workers and communities in
7 transition pursuant to the Economic Transition Act. Any
8 unexpended or unencumbered balance remaining at the end of a
9 fiscal year shall not revert to the general fund.

10 SECTION 9. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2023.