

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.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}

Check all that apply:

Original Amendment _____
Correction _____ Substitute _____

Date 2/3/2024

Bill No: SB 49

Sponsor: Siah Correa Hemphill Agency Name and Code: Economic Development Department 41900
Short Title: Rural Infrastructure Crisis Response Act Number: _____
Person Writing: Keegan Mackenzie-Chavez
Phone: 505-699-4966 Email: [keegan.mackenzie-](mailto:keegan.mackenzie-@nmlegis.gov)

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	100,000	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	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:

Senate Bill 49 (SB49) creates the Rural Infrastructure Crisis Response Act, which includes the following:

- SB49 allows financial assistance for a project for repair or replacement of critical public infrastructure damaged due to a crisis event which severely affects the public health, safety or welfare of a community, provided that a project for repair shall only be eligible for assistance if the cost of the repair is fifty percent or greater than the cost of replacement; the local authority does not have the resources to repair or replace; and no other source of financial assistance is available to do so within 81 days.
- It explains critical infrastructure project eligibility through the process of formulating relief requests, evaluations, determinations, and the procedures and rules required for project eligibility, including the county cap for funds annually.
- It amends Section 6-29-5 NMSA 1978 to add the duty of acting as a fiscal agent for projects owned or operated by tribes that receive financial assistance pursuant to the Rural Infrastructure Crisis Response Act.
- It also adds a new section of the Department of Finance and Administration Act to create the Bureau of Rural Infrastructure Crisis Response in the Department of Finance and Administration (DFA), which will evaluate relief requests.

SB49 creates the nonreverting Rural Infrastructure Crisis Response Fund to make grants to a local authority or the tribal infrastructure board for eligible projects. The bill appropriates \$100,000,000 from the general fund to DFA to implement the Rural Infrastructure Crisis Response Act. Of that appropriation, the Bureau of Rural Infrastructure Crisis Response will receive \$1,600,000 for fiscal years 2025 through 2028, with no greater than \$400,000 expended per year. Any unexpended funds will remain in the Rural Infrastructure Crisis Response Fund. \$98,400,000 is to the Rural infrastructure Crisis Response Fund.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

SB49 and the appropriation allotted will allow for the repair and replacement of critical public

infrastructure that is required for the public health, safety, and welfare of individuals and communities. The repair and replacement of critical infrastructure support economic opportunities and is the foundation of economic development, especially in rural communities, which improves the lives of New Mexican families.

According to the Rural Infrastructure Needs Study of 2021 prepared for the New Mexico Legislative Council Services on December 15, 2021 “...the high-level estimate of costs to bridge the broadband gap in New Mexico is \$2-\$5 billion, \$1.4 billion for water, and \$350 million to \$800 million for wastewater” (pg. 8). The study also includes “...every \$1 invested in infrastructure delivers \$3.70 in economic growth over 20 years...” (pg. 11). [Rural Infrastructure Needs Study 2021.pdf \(nmlegis.gov\)](#)

The bill provides clarity on how critical infrastructure is defined and what projects are eligible within the scope of the Rural Infrastructure Crisis Response Act. The bill also establishes the Bureau of Rural Infrastructure Crisis Response stating the duties and the task of being a fiscal agent for tribal projects. There is also funding specific for the Bureau to operate.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS