

HOUSE BILL 290

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; ~~HCEDC~~→~~ALLOWING FOR THE~~  
~~FORGIVENESS OF LOANS MADE TO CERTAIN BORROWERS PURSUANT TO THE~~  
~~CHILD CARE FACILITY LOAN ACT~~←HCEDC HCEDC→~~ALLOWING THE EARLY~~  
~~CHILDHOOD EDUCATION AND CARE DEPARTMENT AND THE NEW MEXICO~~  
~~FINANCE AUTHORITY TO CONTRACT FOR SERVICES WITH PROVIDERS OR~~  
~~EMPLOYERS SEEKING TO CREATE OR EXPAND CHILD CARE PROGRAMS FOR~~  
~~THEIR EMPLOYEES~~←HCEDC ; PROVIDING CONDITIONS; EXPANDING USES OF  
THE LOANS; MAKING AN APPROPRIATION.

.226668.5AIC February 7, 2024 (6:41pm)

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

SECTION 1. Section 24-24-4 NMSA 1978 (being Laws 2003, Chapter 316, Section 4, as amended) is amended to read:

"24-24-4. FUND CREATED--ADMINISTRATION.--

A. The "child care facility revolving loan fund" is created in the New Mexico finance authority to provide low-interest, long-term loans to providers to make health and safety improvements in their facilities and for operating capital. The fund shall consist of appropriations, gifts, grants and donations to the fund, which shall be invested as provided in the New Mexico Finance Authority Act. Money in the fund shall not revert and is appropriated to the department, which shall utilize the fund for the purposes of the Child Care Facility Loan Act. Administrative costs of the authority may be paid from the fund.

B. Money in the fund shall be used to make loans to providers that demonstrate the need to make health and safety improvements, including space expansion, in order to maintain an adequate and appropriate environment for their clients; to providers HCEDC→ and facilities ←HCEDC seeking to expand child care programs; and to employers to create or expand child care programs for their employees HCEDC→, and for the department and the New Mexico finance authority to contract for services with providers and employers seeking to create or expand child care programs for their employees ←HCEDC . Loans from the fund are

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to be made at an interest rate greater than zero percent for a term that does not exceed the useful life of the project being financed.

C. No more than twenty percent of the fund may be loaned for a single provider in a single project. The department shall give priority for loans to facilities of providers that serve proportionately high numbers of state-subsidized clients and low-income families.

D. HCEDC → ~~The department shall provide in a contract that a loan made to a provider, facility or employer to expand child care programs or to an employer to create or expand child care programs pursuant to Subsection B of this section shall be forgiven;~~ ← HCEDC HCEDC → The department and the New Mexico finance authority shall enter into a contract for services with a provider or an employer seeking to create or expand child care programs for their employees; ← HCEDC provided that, within five years of disbursement of the loan, the provider HCEDC → facility ← HCEDC or employer:

(1) demonstrates that at least fifty percent of the children that the provider HCEDC → , facility ← HCEDC or employer serves are recipients of a child care assistance program expanded or created by the provider HCEDC → facility ← HCEDC or employer;

(2) demonstrates that the number of children served by the provider HCEDC → , facility ← HCEDC or employer

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increased by twenty-five percent; and

(3) satisfies other qualifications as determined by the department and the New Mexico finance authority.

[D-] E. The department, in conjunction with the New Mexico finance authority, shall adopt rules to administer and implement the Child Care Facility Loan Act. The rules shall become effective when filed in accordance with the State Rules Act."

**SECTION 2. APPROPRIATION.**--One million seven hundred fifty thousand dollars (\$1,750,000) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal year 2025 and subsequent fiscal years for the New Mexico finance authority to carry out the purposes of the child care facility revolving loan fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.