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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 2nd Session, 2024

Bill Number	<u>HB232/aHTPWC</u>	Sponsor	<u>Dixon/Armstrong/Hochman-Vigil</u>
Tracking Number	<u>.226863.2</u>	Committee Referrals	<u>HTPWC/HAFC</u>
Short Title	<u>Infrastructure Planning & Dev. Division</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>2/1/2024</u>
		Last Updated	<u>2/5/2024</u>

BILL SUMMARY

Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee amendment to House Bill 232 (HB232/aHTPWC) makes several technical corrections related to functions of the Local Government Division that the bill does not move to the new Infrastructure Planning and Development Division created by HB232/aHTPWC.

Synopsis of Original Bill

House Bill 232 (HB232) would create the infrastructure planning and development division in the New Mexico Department of Finance and Administration (DFA) and reorganize the existing local government division of the department.

The bill would be effective July 1, 2024.

FISCAL IMPACT

HB232/aHTPWC does not contain an appropriation.

The fiscal impact to the DFA as a result of HB232 is estimated to be approximately \$1.7 million in FY25 and \$1.4 million in FY26.

SUBSTANTIVE ISSUES

DFA currently has five separate divisions housed within the agency, including the Board of Finance, Financial Control, Local Government, Management and Contracts Review, and State Budget. The purpose of the Local Government Division is to assist local government entities, local representatives, and residents with the appropriate use of public funds through administrative and technical support. One example of the division's function is the requirement in Section 6-6-2E NMSA 1978 that the division certify a final budget for each local public body, including counties, boards, bureaus or commissions, incorporated cities, and towns or villages.

HB232/aHTPWC would amend 6-15-2 NMSA 1978 by striking language requiring the Public School Finance Division of DFA to compile a range of information for governing authorities for use in their consideration of any proposal to issue bonds. The bill would instead require the Public Education Department (PED), in collaboration with the Local Government Division, to provide school districts with information related to the valuation, present outstanding bonded indebtedness, and limitations as to tax rates and debt contracting power, and any other relevant that may be considered useful to the registered voters of those institutions.

Prior Practices at PED. Prior to 2021, PED published an annual report that contained much of the information that would be required for annual publication by the department. [In the last publication of the report in 2020](#), the department included the mill levy rates maintained by each local education agency (LEA), aggregate residential and non-residential property valuations in each LEA, and bonding indebtedness in each LEA. HB232 would require the department, in collaboration with the local government division of DFA, to publish a similar version of this report.

Creation of Infrastructure Planning and Development Division and Transferring Functions. HB232/aHTPWC would create a sixth division in DFA named the Infrastructure Planning and Development Division. The proposed division would receive the functions, personnel, appropriations, money, and records from the rural equity ombud program of the department. The secretary of DFA would also be authorized to assign other programs and funds management to the division they deem appropriate for those programs and funds management.

HB232 would transfer three functions of the Local Government Division to the proposed infrastructure planning and development division, including:

1. Local government infrastructure capital improvements planning of the local government division;
2. The rural equity ombud program of the local government division; and
3. Other short- or long-term programs and funds of other divisions of the department that the secretary of finance and administration assigns to the infrastructure planning and development division.

The proposed infrastructure planning and development division would also be required to complete three broad functions, including:

1. Provide assistance to local governments, councils of governments and tribal governments in identifying and accessing funding for infrastructure development from public and private sources and in administering funding to complete capital projects;
2. Receive, review and evaluate capital project plans proposed by local governments, councils of government and tribal governments and provide advice on the plans; and
3. Coordinate with the federal grants bureau to leverage state dollars for federal infrastructure grants and to identify federal funding opportunities for state and local projects and track the pursuit and receipt of those federal grants.

ADMINISTRATIVE IMPLICATIONS

HB232/aHTPWC may have a positive long-term administrative impact on DFA as it would alleviate the workload on the local government division of the agency.

SOURCES OF INFORMATION

- LESC Files
- Department of Finance and Administration (DFA)

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