

HOUSE BILL 128

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

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 PUBLIC FINANCE; CREATING THE LOCAL SOLAR ACCESS FUND IN THE NEW MEXICO FINANCE AUTHORITY; PROVIDING GRANTS FOR SOLAR ENERGY SYSTEMS; REQUIRING THE NEW MEXICO FINANCE AUTHORITY TO ESTABLISH RULES; MAKING AN APPROPRIATION.

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

**SECTION 1.** A new section of the New Mexico Finance Authority Act is enacted to read:

.228628.3AIC March 1, 2025 (10:10pm)

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"[NEW MATERIAL] LOCAL SOLAR ACCESS FUND--CREATED--  
APPLICATIONS AND GRANTS--CONTRACT PERFORMANCE AND PAYMENT  
BONDS.--

A. As used in this section:

(1) "eligible entity" means a county, a municipality, a school district, a land grant-merced controlled and governed pursuant to Chapter 49, Article 1 NMSA 1978 or an Indian nation, tribe or pueblo located wholly or partially in New Mexico; and

(2) "solar energy system" means the equipment used to generate, convert, store, manage and monitor solar energy for use as thermal energy or electricity and may include:

(a) energy storage systems, including batteries, that are capable of retaining, storing and delivering electrical energy by chemical, thermal, mechanical or other means; and

(b) interconnection equipment required to safely interconnect the system with the electrical grid.

B. The "local solar access fund" is created in the authority. The fund consists of appropriations, distributions, transfers, income from investment of the fund, bequests, gifts, grants, donations and any other money distributed or otherwise allocated to the fund. Balances in the fund at the end of a fiscal year shall not revert to the general fund. The fund

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shall be administered by the authority as a separate account and may consist of subaccounts as the authority deems necessary to carry out the purposes of the fund.

C. Money in the fund is appropriated to the authority to implement the provisions of this section, including to:

(1) provide grants to eligible entities to plan, design, construct, purchase, install and equip solar energy systems used to power buildings and infrastructure located within New Mexico that are owned and operated by an eligible entity, including necessary upgrades or repairs required to install or connect solar energy systems;

(2) provide grants Hfll→to eligible entities or New Mexico councils of governments←Hfll for technical assistance to apply for federal or other funding to plan, design, construct, purchase, install and equip solar energy systems; and

(3) pay the administrative costs incurred by the authority in carrying out the provisions of this section.

D. Money in the fund that is not needed for immediate disbursement may be deposited or invested in the same manner as other funds administered by the authority.

E. By December 31, 2025, the authority shall establish rules in consultation with the energy, minerals and natural resources department to carry out the provisions of

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this section, including:

(1) criteria for evaluating proposed solar energy systems HENRC→, including minimum eligibility requirements←HENRC ; and

(2) metrics to be used by the authority to prioritize solar energy systems that shall include:

(a) an eligible entity's need for authority funding to plan or complete a solar energy system;

(b) the percentage of low-income households in the community served by that solar energy system;

(c) buildings and infrastructure that are used to provide community services or emergency shelter;

(d) the requirement that the majority of the funding shall be allocated to rural eligible entities as determined by the authority;

(e) the projected long-term operating cost reductions of the solar energy system;

(f) procedures to ensure maximum geographic disbursement and diversity;

(g) appropriate caps on different types of grants to ensure the fund's sustainability HENRC→and

selection of the most qualified projects←HENRC ;

H AFC→(h) solar energy systems that include an energy storage system;←H AFC

H AFC→(h)←H AFC H AFC→(i)←H AFC pricing

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consistent with statewide price agreements; and

HAFC→(i)←HAFC HAFC→(j)←HAFC solar energy systems that support workforce development, including by hiring local HENRC→New Mexico←HENRC workers, paying the prevailing wage or hiring workers participating in apprenticeship programs that are registered pursuant to the Apprenticeship Assistance Act.

F. Applications for grants shall be in a form specified by the authority and shall include such information as required by the authority, including:

- (1) an estimate of the cost of the solar energy system for which a grant is being sought;
- (2) an estimate of the operating cost savings expected to be achieved by the solar energy system; and
- (3) a description of the benefits of the solar energy system.

G. An eligible entity, except for an Indian nation, tribe or pueblo, that is made a grant pursuant to this section shall require a contractor of a project funded by the local solar access fund to post a performance and payment bond as described in Section 13-4-18 NMSA 1978."

HAFC→~~SECTION 2. APPROPRIATION.--Sixty million dollars (\$60,000,000) is appropriated from the general fund to the energy, minerals and natural resources department for expenditure in fiscal year 2026 and subsequent fiscal years for~~

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~~the New Mexico finance authority to carry out the purposes of  
the local solar access fund. Any unexpended or unencumbered  
balance remaining at the end of a fiscal year shall not revert  
to the general fund.~~←HAFC

HENRC→~~SECTION 3. CONTINGENT EFFECTIVE DATE.--The  
provisions of this act become effective upon the enactment into  
law of an appropriation for administrative costs of the New  
Mexico finance authority in the General Appropriation Act of  
2025. The secretary of finance and administration shall notify  
the New Mexico compilation commission and the director of the  
legislative council service by July 1, 2025 that the  
appropriation has been made.~~←HENRC