



## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: House Bill 29 appropriates \$8 million from the general fund to the Military Base Impact Fund established in 2025. Grants from the fund are to support infrastructure projects that impact military readiness requirements in communities that host military bases.

### **FISCAL IMPLICATIONS**

House Bill 29 appropriates \$8 million to the fund for OMBS to begin awarding grants through its Military Base Impact Fund. Existing staff and operating funds will support this program.

### **SIGNIFICANT ISSUES**

Laws 2025, ch. 99 (HB 158) established the Military Base Impact Fund establishing a grant program to support infrastructure projects to:

- (1) Accommodate or leverage, for the benefit of a defense community, an anticipated expansion of a military facility or employment of defense workers at a military facility or the retention of a military facility or employment of defense workers at a military facility;
- (2) Increase the potential to retain a military facility anticipated to be closed or a military mission that is anticipated to be relocated in a realignment process initiated by the federal government;
- (3) Facilitate the recruitment of a new military mission or other defense worker employer at a military facility to replace a mission or an employer that is being or is anticipated to be closed, reduced or relocated; or
- (4) Stimulate the development or recruitment of private or public sector employers to replace an actual or anticipated reduction in defense worker jobs due to a closure, reduction or relocation of a military base or defense worker employer.

A recipient of a grant from the fund shall be either a defense community or a regional planning organization organized under the Regional Planning Act [[3-56-1](#) to [3-56-9](#) NMSA 1978] that has a defense community within its planning region.

A grant from the fund may be made for project construction, planning and design or purchase of interests in land for new facilities or rehabilitation or renovation of existing facilities; provided that a grant shall be no greater than the lesser of ninety percent of the total cost of the project or ninety percent of a matching requirement from a federal or other nonstate funding source.

An applicant for a grant from the fund shall provide proof satisfactory to the military office that it can and will meet its cost-share requirements pursuant to this section.

**PERFORMANCE IMPLICATIONS**

None.

**ADMINISTRATIVE IMPLICATIONS****CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

**TECHNICAL ISSUES**

None.

**OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If not enacted, New Mexico risks losing current and potential military missions because locally-provided critical infrastructure is aging and military missions require greater capacity; specifically, but not limited to, electricity, water, and wastewater utility infrastructure. Further, without dedicated funding to assist with project design and grant matching requirements, New Mexico's military communities will continue to lose out on the opportunities to compete for a variety of Department of Defense infrastructure grant programs that could otherwise bring millions of federal dollars into the State to modernize and expand infrastructure shared between military installations and host communities.

**AMENDMENTS**

None.