

<b>LFC Requester:</b>	
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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**  
**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.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}*

**Date Prepared:** 1/28/26 *Check all that apply:*  
**Bill Number:** House Bill 165 Original  Correction   
 Amendment  Substitute

**Sponsor:** Reps. Serrato/Dixon **Agency Name** Economic Development  
**Short Title:** Payment of Certain IRB Special Assessments **and Code** Department  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(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:**

House Bill 165 amends the existing Improvement Special Assessment Act to include properties under an industrial revenue bond lease as an eligible property for a special assessment. The Bill also adds clarifying language regarding special assessments on properties under an industrial revenue bond lease.

### **FISCAL IMPLICATIONS**

### **SIGNIFICANT ISSUES**

By expanding the eligible properties for improvement special assessments to include properties involved in an industrial revenue bond (IRB), House Bill 165 (HB 165) makes an additional financing mechanism available for facility energy and water efficiency improvements to economic development projects using IRBs. Improvement Special Assessment financing, housed in the Economic Development Department and referred to as the C-PACE (Commercial Property Assessed Clean Energy) Program, enables property owners to finance energy and water efficiency improvements that have a positive future impact on the State and its natural resources by conserving energy and water. Due to the mechanism of an IRB transferring ownership of a property to a county or municipality, IRB-involved properties are not currently eligible to participate in C-PACE financing. This omission results in excluding large-scale economic development projects that use IRBs from accessing financing for energy and water efficiency improvements. The changes proposed in HB 165 would not only benefit a subject company's bottom line, and therefore potentially benefit the State's economic development, but also benefit the state of New Mexico by supporting the conservation of its natural resources. HB 165 will make IRB-involved properties eligible to seek C-PACE financing, creating additional resources for economic development projects that support business growth while also supporting water and energy conservation and modernization.

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

The Economic Development Department does not anticipate that making IRB-involved properties eligible for Improvement Special Assessment financing would have any significant administrative impact on the C-PACE program or its capacity.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

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