

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.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}

Check all that apply:

Original Amendment
Correction Substitute

Date 02/05/2024

Bill No: HTPWC/HB190

Sponsor: Garrat, Lundstrom, Brown, Padilla
Short Title: PUBLIC PRIVATE PARTNERSHIP

Agency Name and Code: OSA - 308
Number: _____
Person Writing: D. Craig
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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:

The House Transportation, Public Works and Capital Improvements Committee Substitute for House Bill 190 (“CSHB190” or “the bill”) amends the Procurement Code to add public-private partnership. CSHB190 allows state and local public bodies to enter public-private partnerships with via requests for proposals or unsolicited proposals and creates guidelines for doing so. CSHB190 places the responsibility for overseeing public-private partnerships within the Board of Finance at the Department of Finance and Administration (DFA), requiring them to promulgate rules and review and approve partnerships. The bill sets up time periods for the public-private partnerships, generally four years with exceptions. The bill also sets up the instruments governing public-private partnerships which are defined under the term concessions.

FISCAL IMPLICATIONS

CSHB190 does not contain an appropriation.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

The Board of Finance generally does not carry high amounts of staff. As of February 5, 2024 the DFA website shows three staff. The job responsibilities of the provisions of CSHB190 may necessitate additional resources be provided to the Board of Finance, as currently reviewing the requests for disbursements that come before the Board of Finance and staffing meetings likely takes a majority of their resources and available capacity.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

The bill defines “public private partnership” as an arrangement between one or more public partners and one or more private partners for the development of a public project. The Office of the State Auditor (OSA) recommends that sponsors consider changing the definition of public

private partnership to reflect the definition listed in the Government Accounting Standards Board (GASB) Statement number 94. Specifically, GASB 94 defines a public-private partnership as “an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying asset), for a period of time in an exchange or exchange-like transaction.”

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS