

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 1/30/2024

Bill No: SB 205

Sponsor: P. Campos  
Short Title: LOCAL COUNCILS OF GOV'T

Agency Name and Code: DFA- 341  
Number: \_\_\_\_\_  
Person Writing: Cristina Martinez  
Phone: 505469-1822 Email: [Cristina.Martinez@dfa](mailto:Cristina.Martinez@dfa)

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
1,000		Nonrecurring	General Fund

(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)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<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**

Senate Bill 205 (SB205) appropriates \$1 million from the general fund to the Department of Finance and Administration (DFA) for expenditure in FY24 and FY25 for local councils of government to receive, disburse, and oversee appropriations for local governments in their planning and development districts.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

**FISCAL IMPLICATIONS**

The appropriation of \$1 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund. The average amount appropriated to each COG—assuming each one receives a grant—would be \$142.9 thousand for FY25.

**SIGNIFICANT ISSUES**

This bill provides funding for financial assistance to designated planning and development districts as created by executive order of the governor. These designated planning and development districts are often referred to as councils of government (COG). The COGs’ presently consist of seven districts covering the entire state of New Mexico.

The COGs are tasked with assisting rural communities and small local governments who lack the capacity to seek and apply for federal and state funding for critical infrastructure and economic development projects. Moreover, once these rural and small local governments receive funding, they do not have the resources to procure, manage, and seek financial reimbursement from the state for each project appropriated for its economic prosperity.

Given the influx of federal and state dollars, rural and small local governments are in more need than ever for assistance from the COGs. The appropriation of \$1 million as listed in this bill would be divided amongst the seven districts over 2 years.

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 205 is related to HB 210 it appropriates \$2.8 million to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) for regional planning districts 1-7 to provide grant writing and technical assistance services.

#### **TECHNICAL ISSUES**

The term “local councils of government” is not defined in statute. If the intention of the bill is to direct funding to regional planning districts as defined in the Planning District Act 4-58-1 to 4-58-6 NMSA 1978, then the language may need to be amended.

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

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

#### **AMENDMENTS**