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FISCAL IMPACT REPORT

SPONSOR	<u>Reps. Sariñana and Martinez, A/Sen. Pope</u>	LAST UPDATED	<u>3/16/2025</u>
		ORIGINAL DATE	<u>2/05/2025</u>
SHORT TITLE	<u>Energy Project Siting & Military Bases</u>	BILL	<u>House Bill</u>
		BILL	<u>159/aHLVMC/aHJ</u>
		NUMBER	<u>C</u>
		ANALYST	<u>Lobaugh</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
OMBPS	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 158

Sources of Information

LFC Files

Agency Analysis Received From

Office of Military Base Planning and Support (OMBPS)

Public Regulation Commission (PRC)

New Mexico Attorney General (NMAG)

Agency Analysis was Solicited but Not Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of the HJC Amendment to House Bill 159

The House Judiciary Committee (HJC) amendment to House Bill 159 (HB159) increases the length of time within which the developer or owner of a renewable energy project must notify the chair of the state Military Base Planning Commission from 10 to 30 days.

Synopsis of the HLVMC Amendment to House Bill 159

The House Labor, Veterans and Military Affairs Committee (HLVMC) amendment to House Bill 159 adds to clarify that references to “days” are “business days.” HLVMC also amended language in HB159 to replace references to “approval” from the U.S. Federal Aviation Administration and the federal Military Aviation and Installation Assurance Siting Clearinghouse with more specific language referencing “review,” “a determination,” “a military compatibility letter,” or “a finding of unacceptable risk.”

Synopsis of Original House Bill 159

House Bill (HB159) requires the developer or owner of a renewable energy project in New Mexico to provide written notification to the chair of the state Military Base Planning Commission (a 12-member state commission comprised of the lieutenant governor and 11 governor-appointees) within 10 days of submitting a notice of a proposed construction or alteration of a renewable energy project to the U.S. Federal Aviation Administration (FAA). HB159 also requires the developer or owner of a renewable energy project to notify the chair of the state Military Base Planning Commission within 10 days of obtaining approval or finding of adverse impact on military operations by providing a copy of approval or finding. The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

HB159 as amended does not contain an appropriation and does not have a fiscal impact on the state budget.

SIGNIFICANT ISSUES

Federal law requires the developer or owner of a renewable energy project to notify the U.S. Federal Aviation Administration before the construction or expansion of a renewable energy project. The Federal Aviation Administration evaluates renewable energy projects, such as wind turbines and solar panel arrays, to ensure projects do not negatively impact airspace or air safety with turbines or sun glare. When the FAA evaluates proposed renewable energy projects, it can refer the project for review by the U.S. Department of Defense, through an organization called the Military Aviation and Installation Assurance Siting Clearinghouse, for potential impacts to military operations. A developer or owner of a renewable energy project can also voluntarily ask the U.S. Department of Defense Military Aviation and Installation Assurance Siting Clearinghouse for an informal review of the project before notifying the FAA.

According to the state Office of Military Base Planning and Support (OMBPS), the state Military Base Planning Commission is currently unable to confirm prior to construction whether renewable energy developers and owners are following federal statutes to prevent, minimize, or mitigate the adverse impacts of projects on military operations.

The OMBPS also notes that renewable energy projects that are incompatible with military operations can (1) result in project delays and increased costs to the developer or owner, (2) decrease the military value of U.S. Department of Defense aviation training routes and airspace, or (3) lead to the loss of military missions in the state.

The term “other facility” on line 1 of page 2 is vague and may impact the implementation and interpretation of HB159.

OTHER SUBSTANTIVE ISSUES

The Military Base Planning Commission is currently scheduled to cease operations effective July 1, 2028 (Section 9-15-51.1 NMSA 1978).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB159 is related to House Bill 158 (HB158), which would create a new nonreverting fund, called the military base impact fund, for funding capital outlay projects within the service areas of U.S. military bases or defense communities. HB158 would repeal the current sunset provisions in state law which would phase out operations of the state Military Base Planning Commission effective July 1, 2028.

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