

Bernalillo County Commission – Observer Report for March

Karen Wentworth

Bernalillo County Commission Sets Conditions for Data Centers Seeking Tax Breaks

Barbara Baca, District 1; Frank Baca, District 2; Adriann Barboa, District 3; Walt Benson, District 4; Eric Olivas, District 5

All commissioners were present for both meetings covered.

The Bernalillo County Commission passed an administrative resolution at the February 10 meeting saying as a policy the commission will not consider tax breaks such as Industrial Revenue Bonds for new data centers unless they met rigid criteria. Any data center seeking a tax break would have to reflect a strong public benefit by

- Entering into a project labor agreement for construction workforce hiring
- Ensuring that construction hiring incorporates a registered apprenticeship program
- Prioritizing in-state permanent workforce hiring
- Ensuring permanent positions meet or exceed 120% of area median salary
- Ensuring that electricity is supplied by a private microgrid or via connection to a public grid regulated by the Energy Transition Act to guarantee that energy does not include any fuel sourced derived from carbon-based sources
- Ensuring what water needs of the project will be fully offset by conservation or n-stream flow improvements funded by the developer
- Creating a water reclamation and water reuse plan

The administrative resolution was triggered by concerns over Project Jupiter, a large data center project in Dona Ana County that received a major tax break from the county commission without conditions. When the public realized the developer intended to use gas fired turbines to power a microgrid for the center, and that projected air emissions would exceed the combined air emissions of the cities of Albuquerque and Las Cruces, alarm bells went off. The project is now facing a law suit, and it's not clear whether it will proceed. This resolution only covers projects seeking tax breaks. It would not affect projects funded completely by the developer.

Microgrids for large projects are a new development in New Mexico. Most electrical energy projects that affect the state electrical grid are tightly regulated by the Public Regulation Commission. But microgrids to power large projects may not fall under current state law.

The U.S. League of Women Voters has general positions on this issue that say the League supports project that have a “predominant reliance on renewable resources,” “policies to

reduce energy demand and minimize the need for new generating capacity,” they are not specific to the use of microgrids. This may be a promising area of study for the League in the future.

Commissioners also approved salary increase for county officials who run for county office in the future.

Assessor - \$131,506, beginning with the 2027 term.

Clerk - \$132,504, beginning with the 2029 term.

Commissioners – \$69,703, District 1,7 beginning with the 2027 term.

Commissioners - \$69,703, District 2,3,4 beginning with the 2029 term

Probate Judge - \$46,940 beginning with the 2027 term

Treasurer - \$127,523 beginning with 2029 term

The League has no guidance on the issue of local government official pay. That is especially confusing on the issue of county commissioners. The position has traditionally been considered to be part time, and the pay scale reflected that view. The most recent action of the commission boosted commission pay by 55%, but it is not clear whether this is still considered to be a part time position.