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HOUSE BILL 314

**57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; REQUIRING THE LOCAL GOVERNMENT  
DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO  
PROVIDE ZERO-INTEREST LOANS TO POLITICAL SUBDIVISIONS OF THE  
STATE FOR PROJECTS TO REPLACE OR REPAIR PUBLIC INFRASTRUCTURE  
DAMAGED BY FLOODING OR DEBRIS FLOWS OR PROJECTS TO REMOVE  
DEBRIS ACCUMULATIONS ATTRIBUTABLE TO THE STORM EVENT ON OCTOBER  
19, 2024; REQUIRING APPROVAL FOR FEDERAL ASSISTANCE FUNDING;  
REQUIRING REIMBURSEMENT CONTRACTS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. TEMPORARY PROVISION--LOANS TO POLITICAL  
SUBDIVISIONS--REPLACEMENT OR REPAIR OF PUBLIC INFRASTRUCTURE  
DAMAGED BY FLOODING OR DEBRIS FLOWS--REQUIREMENT FOR  
PUBLIC ASSISTANCE FUNDING.--

A. The local government division of the department

.233280.2

1 of finance and administration, in consultation with the  
2 homeland security and emergency management department, shall  
3 provide zero-interest reimbursable loans to political  
4 subdivisions of the state that have been approved for federal  
5 public assistance funding for projects to replace or repair  
6 public infrastructure damaged by flooding or debris flows or to  
7 remove debris accumulations attributable to the storm event in  
8 Chaves county on October 19, 2024. The local government  
9 division shall require a contract for reimbursement from a  
10 political subdivision of the state receiving a loan pursuant to  
11 this section. The contract shall specify:

12 (1) that the political subdivision shall pay  
13 the loan using first dollars received from the approved federal  
14 public assistance funding that serves as the basis for the  
15 loan;

16 (2) that the political subdivision shall repay  
17 the loan within thirty days of having received the approved  
18 federal public assistance funding;

19 (3) such notice or reporting requirements that  
20 the local government division deems necessary to be  
21 sufficiently informed regarding compliance with Paragraphs (1)  
22 and (2) of this subsection; and

23 (4) that upon failure to meet a requirement of  
24 this subsection, the loan shall be repaid at current market  
25 interest rates.

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1           B. All loan repayments made pursuant to this  
2 section shall be deposited into the general fund.

3           C. The secretary of finance and administration  
4 shall take any and all legal actions necessary to enforce the  
5 terms of contracts entered into pursuant to this section.

6           **SECTION 2. APPROPRIATION.**--One hundred fifty million  
7 dollars (\$150,000,000) is appropriated from the general fund to  
8 the local government division of the department of finance and  
9 administration for expenditure in fiscal years 2027 and 2028 to  
10 provide loans in accordance with Section 1 of this act. Any  
11 unexpended balance remaining at the end of fiscal year 2028  
12 shall revert to the general fund.

13           **SECTION 3. EFFECTIVE DATE.**--The effective date of the  
14 provisions of this act is July 1, 2026.

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