

SENATE RULES COMMITTEE SUBSTITUTE FOR
SENATE BILL 132

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

AN ACT

RELATING TO TECHNOLOGY; EXPANDING THE DEPARTMENT OF INFORMATION
TECHNOLOGY'S EQUIPMENT REPLACEMENT PLANS TO INCLUDE SOFTWARE;
RENAMING THE EQUIPMENT REPLACEMENT REVOLVING FUNDS AS THE
EQUIPMENT AND SOFTWARE REPLACEMENT REVOLVING FUNDS.

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

SECTION 1. Section 9-27-11 NMSA 1978 (being Laws 2008,
Chapter 84, Section 2, as amended) is amended to read:

"9-27-11. EQUIPMENT AND SOFTWARE REPLACEMENT PLANS--
EQUIPMENT AND SOFTWARE REPLACEMENT REVOLVING FUNDS.--

A. In order to plan for the expenditure of capital
investments necessary to provide goods and services to the
state and its agencies and to local public bodies and other
enterprise customers, the department shall establish and
maintain an equipment and software replacement plan for each of

1 the department's enterprise functions. No later than September
2 1 of each year, the plans shall be submitted to the department
3 of finance and administration and the legislature, accompanied
4 by a reconciliation report of the preceding fiscal year
5 reflecting financial activity in each of the equipment and
6 software replacement revolving funds established pursuant to
7 this section.

8 B. Upon the request of the secretary, the state
9 treasurer shall establish in the state treasury such "equipment
10 and software replacement revolving funds" as are necessary to
11 administer each of the department's enterprise functions. The
12 revolving funds shall consist of legislative appropriations to
13 the funds and transfers made to the funds pursuant to
14 ~~[Subsections C and D]~~ Subsection C of this section. Income
15 from investment of the revolving funds shall be credited back
16 to the funds, and money in the funds shall not revert at the
17 end of a fiscal year. Expenditures from the funds shall only
18 be made pursuant to an appropriation from the legislature and
19 only for the purpose of acquiring and replacing capital
20 equipment and ~~[associated]~~ software used to provide enterprise
21 services pursuant to the department's equipment and software
22 replacement plans.

23 C. The department shall record amounts due to the
24 equipment and software replacement revolving funds each fiscal
25 year, based on the calculation of amortization and depreciation

1 applicable to each enterprise service as reflected in the
2 department's published cost structures for calculation of rates
3 for services. Transfers to the funds shall be made from the
4 operating funds of each enterprise in amounts that reconcile
5 with the recorded amounts due. The recording of amounts due to
6 the equipment and software replacement revolving funds and the
7 transfer of the funds shall be consistent with generally
8 accepted accounting principles.

9 ~~[D. The department may make initial transfers from~~
10 ~~its operating funds to establish the beginning fund balances as~~
11 ~~of July 1, 2008.]"~~

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