

SENATE BILL 215

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

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; REQUIRING PROGRAM INCOME EARNED BY  
A POLITICAL SUBDIVISION AS A RESULT OF MONEY LOANED TO IT  
PURSUANT TO LAWS 2023, CHAPTER 2, SECTION 1 OR SUBSECTION D OF  
SECTION 2 OF CHAPTER 1 OF LAWS 2024 (1ST S.S.) TO BE DEPOSITED  
IN THE NATURAL DISASTER REVOLVING FUND; DECLARING AN EMERGENCY.

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

**SECTION 1.** Section 6-4-2.7 NMSA 1978 (being Laws 2025,  
Chapter 157, Section 2) is amended to read:

"6-4-2.7. NATURAL DISASTER REVOLVING FUND.--

A. The "natural disaster revolving fund" is created  
in the state treasury. The purpose of the fund is to provide  
loans to political subdivisions of the state and electric  
cooperatives that have been approved for funding from the  
federal emergency management agency for a federally declared

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1 natural disaster. The fund consists of distributions,  
2 transfers, appropriations, gifts, grants, donations and income  
3 from investment of the fund. Money in the fund shall be  
4 invested by the state treasurer.

5 B. Money in the natural disaster revolving fund is  
6 appropriated to the department of finance and administration  
7 for:

8 (1) the purposes of the natural disaster loan  
9 program pursuant to Section [~~1 of this 2025 act~~] 6-4-2.6 NMSA  
10 1978; and

11 (2) administration of the natural disaster  
12 loan program and enforcement of loan contracts; provided that  
13 no more than four hundred thousand dollars (\$400,000) annually  
14 shall be used for these purposes.

15 C. Money in the natural disaster revolving fund is  
16 appropriated to the homeland security and emergency management  
17 department for the compliance management of programs  
18 administered by the federal emergency management agency that  
19 serve as the basis for a natural disaster loan; provided that  
20 no more than one hundred fifty thousand dollars (\$150,000)  
21 annually shall be used for these purposes.

22 D. The department of finance and administration  
23 shall administer the fund, and expenditures from the fund shall  
24 be by warrant of the secretary of finance and administration  
25 pursuant to vouchers signed by the secretary or the secretary's

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1 authorized representative or vouchers signed by the secretary  
2 of homeland security and emergency management or that  
3 secretary's authorized representative.

4 ~~[E. Any unexpended or unencumbered balance~~  
5 ~~exceeding fifty million dollars (\$50,000,000) and remaining at~~  
6 ~~the end of a fiscal year shall revert to the appropriation~~  
7 ~~contingency fund. Any unexpended or unencumbered balance~~  
8 ~~remaining at the end of a fiscal year shall be included in the~~  
9 ~~calculation of state reserves.~~

10 F.] E. Any money, including program income earned,  
11 repaid or reimbursed to the state pursuant to Laws 2023,  
12 Chapter 2, Section 1 or Laws 2024 (1st S.S.), Chapter 1,  
13 Section 2 shall be deposited in the natural disaster revolving  
14 fund. For the purposes of this subsection, "program income"  
15 means gross income earned by a political subdivision that is  
16 directly generated by a supported activity or earned as a  
17 result of money loaned pursuant to Laws 2023, Chapter 2,  
18 Section 1 or Subsection D of Section 2 of Chapter 1 of Laws  
19 2024 (1st S.S.) and includes income from:

- 20 (1) fees for services performed;  
21 (2) the use or rental of real or personal  
22 property acquired with loan funds;  
23 (3) the sale of commodities or items  
24 fabricated with loan funds;  
25 (4) license fees;

underscored material = new  
[bracketed material] = delete

1                   (5) royalties on patents and copyrights; and  
2                   (6) interest earned on money loaned pursuant  
3 to this subsection or program income."

4           SECTION 2. EMERGENCY.--It is necessary for the public  
5 peace, health and safety that this act take effect immediately.

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