

<b>LFC Requester:</b>	
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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)  
*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 02/01/2026 *Check all that apply:*  
**Bill Number:** HB 229 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b>	<u>Randall Pettigrew, Jimmy Mason and John Block</u>	<b>Agency Name and Code Number:</b>	<u>General Services/35000</u>
<b>Short Title:</b>	<u>Transparency in Government Contracting</u>	<b>Person Writing</b>	<u>Dorothy Mendonca, SPD</u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
0	0	N/A	N/A

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Recurring	All

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

House Bill 229 creates a new section in statute requiring the state and its political subdivisions to provide public access to information related to government contracts, including those made under the Procurement Code, and disbursements of state or federal grants. Additionally, HB 229 mandates that a directory of public contracts be listed on the Sunshine Portal. If a government entity knowingly and willfully fails to make available information related to a particular public contract, the bill establishes a presumption that the contract is invalid.

### **FISCAL IMPLICATIONS**

This legislation includes new systems not currently in place which will require additional staff and fiscal resources. The costs of updating agency systems to be able to provide information from the previous month or year for comparison purposes cannot be determined at this time. This legislation will have an impact on state agencies, higher education institutions, school districts and local governments. The Sunshine Portal is currently managed by the General Services Department (GSD), expanding the definitions will require the GSD to develop systems to collect data which will require additional staff, IT resources and financial support. Additional fundings is not included in the bill.

### **SIGNIFICANT ISSUES**

Definitions in this legislation eliminate certain terms in the Procurement Act that are necessary to applicability of the statute; such as, department, exempt employee, expenditure, or local education provider.

The change to the definition of “contract” limits the scope of transparency to contracts established under the Procurement Code or through competitive processes, thereby excluding procurements that are currently exempt under the Procurement Code. In practical terms, this means that certain government purchases—such as emergency procurements and sole-source contracts—would not be covered by the revised transparency requirements. As a result, government transactions that were previously subject to public disclosure may now proceed without the same level of oversight, potentially reducing accountability in these areas. For example, emergency purchases made in response to unforeseen events and sole-source contracts awarded when only one provider is available are typically exempt from standard procurement procedures and, under the new definition, would not be subject to the expanded transparency provisions. This narrowed scope could impact stakeholders by making it more difficult for the public and oversight bodies to monitor government spending and contracting practices in these specific scenarios.

The addition of “government agency” broadens the scope of the current Act to include local public bodies. If the intent of the new definition, “government agency,” is to increase the scope of the Act, other statutes in the Act could require inserting the new term in the appropriate places in the Act (e.g. replacing “state agency” with “government agency” where appropriate).

The definition for “make available” may conflict with the Inspection of Public Records Act (IPRA) statutes (NMSA 1978 §§14-2-1:12). IPRA already provides a means to request procurement information/documents from government bodies, in various formats.

The definition for “protected information” may conflict with the IPRA statutes (NMSA 1978 §§14-2-1:12).

The time limit of one week proposed in Section 3A(1) conflicts with the fifteen-day timeframe for producing records under IPRA (NMSA 1978 §14-2-8). Procurements/Solicitations and their related contracts are already subject to requests through IPRA. Additionally, procurements such as invitations to bids and requests for proposals are already available publicly, as public notice is required to be posted, pursuant to NMSA 1978 §13-1-104. The use of the term “solicitations” could imply that only contracts established through a competitive method of procurement are subject to this requirement, which could limit the scope of the Act. If the proposed change is intended to make procurement-related documents available on the Sunshine Portal within one week could potentially violate the Procurement Code (e.g. NMSA 1978 §13-1-116).

A custodian of records is required under current IPRA standards already.

Section 3A(4) proposed change supports requirements under NMSA 1978 10-16D.3.D.14-193 However, other changes in the Act propose to modify “web site” to “website,” yet here “web page” is used. This creates inconsistency and clarity issues.

The requirement to make sole sources and emergency contracts available on the Sunshine Portal is duplicative and could conflict with statutes in the Procurement Code (i.e. NMSA 1978 §13-1-126.1(A), §13-1-127(C), §13-1-128(A, B, C, & D)).

Section 4 is “unintentionally” unfair to the contractor and may not be in the best interest of the state: Since a government body could be the actor (the person violating the act), the contractor may play no part in the violation. Additionally, the goods or services which are the subject of the contract at issue could still need to be provided to the public or for the public benefit. Automatically deeming a contract invalid could cause the government body to perform an emergency procurement to cover the needed goods or services. If the initial procurement was via an invitation for bids or request for proposals, then an emergency procurement allows a government body to procure the requisite goods or services without engaging in a competitive procurement method. As Section 13-1-29(C) NMSA 1978 calls for the fair and equitable treatment of all persons involved in public procurement, the automatic presumption to invalidate a contract does not facilitate fair treatment of affected contractors.

## **PERFORMANCE IMPLICATIONS**

Currently the sunshine portal has operated and maintained a single internet free website that houses the state’s financial information for the purpose of governmental transparency and accountability to taxpayers. At a minimum there is access to the state’s cash balances, monthly summary of the state’s investments; annual operating budgets and expenditures; state agency contracts valued at more than \$20 thousand; name of the recipient of the contract; purpose of the contract; expended amount of the contract; an internet web site link of the contract document; resident certificate.

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

Transparency on the sunshine portal is already a living portal that executive agencies input their contract information. This seems to be a duplicative effort to NM Statute 100-16D-3

## **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

An alternative could be to provide additional funding to the General Services Department to update the Sunshine Portal.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

### **AMENDMENTS**