

LFC Requester:	Allegra Hernandez
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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:** 2/5/2026 *Check all that apply:*  
**Bill Number:** HB 314 Original  Correction   
 Amendment  Substitute

**Sponsor:** Mark B. Murphy Jimmy G. Mason  
Angelita Mejia Andrea Reeb  
Jonathan A. Henry  
**Agency Name and Code Number:** 992 – New Mexico Mortgage Finance Authority  
(Housing New Mexico | MFA)  
**Person Writing Analysis:** Robyn Powell  
**Phone:** 505-757-2271 **Email:** rpowell@housingnm.org  
**Short Title:** ZERO INTEREST LOANS FOR FLOOD DAMAGE

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	\$150,000	Nonrecurring	General Fund

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NA	NA	NA	NA	NA

(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>	NA	NA	NA	NA	NA	NA
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(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: NA

Duplicates/Relates to Appropriation in the General Appropriation Act: NA

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

**House Bill 314** allows the local government division of the department of finance, in coordination with homeland security and emergency management department, to provide zero-interest loans to political subdivisions to address public infrastructure issues resulting from the storm event that impacted Chaves County on October 19, 2024. The political subdivisions must be approved for federal public assistance funding for projects to replace or repair public infrastructure damaged by flooding or debris flows or remove debris accumulations from the storm event.

The loan contracts will stipulate:

- The political subdivision will pay the loan using first dollars received from approval federal public assistance funding.
- The political subdivision will repay the loan within 30 days of having received the federal public assistance funding.
- Comply with any reporting requirements that the local government division requires to successfully administer and manage the funding.
- Upon failure to meet any of the requirements above, the political subdivision will repay the loan at current market interest rates.

All loan repayments made under this provision will be deposited into the general fund. The secretary of finance and administration should take all legal actions necessary to enforce the terms of the contracts.

The effective date of this provision is July 1, 2026.

#### **FISCAL IMPLICATIONS**

**House Bill 314** appropriates \$150,000,000 from the general fund to the local government division of the department of finance and administration for expenditure in fiscal years 2027 and 2028 to provide loans. Any unexpended balance remaining at the end of fiscal year 2028 shall revert to the general fund.

#### **SIGNIFICANT ISSUES**

**House Bill 314** may help the political subdivisions speed up disaster recovery efforts in addressing infrastructure concerns before the federal funds arrive. These zero-interest loans may act as a bridge loan and not place a permanent debt burden on the local governments.

The bill establishes funding sources, repayment timelines, and enforcement mechanisms intended to manage the state's financial exposure.

This bill and appropriation is specific to the political subdivisions within Chaves County.

## **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

#### Administrative Implications to the Department of Finance and Administration

**House bill 314** requires the department of finance and administration to manage contracts, monitor, enforce provisions, and coordinate with federal entities and the political subdivisions.

#### Administrative Implications to the political subdivision

**House bill 314** requires the political subdivision to comply with reporting requirements set forth by the Department of Finance and Administration

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

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

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

### **AMENDMENTS**