

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 273

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

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
MAKING APPROPRIATIONS TO THE TOWN OF ESTANCIA, THE CITY OF  
GRANTS, THE VILLAGE OF MILAN, CIBOLA COUNTY, OTERO COUNTY AND  
TORRANCE COUNTY TO HOLD THOSE MUNICIPALITIES AND COUNTIES  
HARMLESS FROM THE ESTIMATED POTENTIAL LOSS OF REVENUE FROM A  
CONTRACT THAT COULD HAVE BEEN AGREED TO WITH A PRIVATE ENTITY  
TO USE A MUNICIPAL OR COUNTY CORRECTIONAL FACILITY IF NOT FOR  
LAWS 2026, CHAPTER 5; PROVIDING LIMITATIONS HAFC→; MAKING

**APPROPRIATIONS TO THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT,  
THE PUBLIC EDUCATION DEPARTMENT, THE DEPARTMENT OF FINANCE AND  
ADMINISTRATION, THE AGING AND LONG-TERM SERVICES DEPARTMENT AND  
THE DEPARTMENT OF TRANSPORTATION**←HAFC .

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

**SECTION 1. APPROPRIATIONS--MONTHLY DISBURSEMENTS--**

**CLAWBACK PROVISION.--**

A. Subject to the limitations provided in Subsection B of this section, the following appropriations are made from the general fund to the local government division of the department of finance and administration for expenditure in fiscal HAFC→~~years 2027 and 2028, except as provided in~~

**Paragraph (3) of this subsection,←HAFC HAFC→year 2027←HAFC**

for the following municipalities and counties to hold the municipalities and counties harmless from the potential loss of the following revenues the municipalities and counties may have collected pursuant to and attributable to an agreement that may have been made with a private entity to use a municipal or county correctional facility but for the prohibitions of such agreements pursuant to Laws 2026, Chapter 5. Each appropriation shall be disbursed each month in an amount equal to HAFC→~~one twenty-fourth~~←HAFC HAFC→~~one-twelfth~~←HAFC of the amount appropriated. Any unexpended balance remaining at the end of each month and at the end of fiscal year HAFC→~~2028,~~

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~~except as provided in Paragraph (3) of this subsection,~~ ←HAFC

HAFC→**2027** ←HAFC shall revert to the general fund:

(1) HAFC→~~six hundred thousand dollars~~

~~(\$600,000)~~ ←HAFC HAFC→**nine hundred thousand dollars**

**(\$900,000)** ←HAFC for the town of Estancia to hold the town of Estancia harmless from the potential loss of municipal local option gross receipts tax revenue;

(2) HAFC→~~six hundred thousand dollars~~

~~(\$600,000)~~ ←HAFC HAFC→**six hundred forty-two thousand dollars**

**(\$642,000)** ←HAFC for Torrance county to hold Torrance county harmless from the potential loss of county local option gross receipts tax revenue;

(3) five million nine hundred forty thousand dollars (\$5,940,000) for Otero county HAFC→~~for expenditure in~~

~~fiscal year 2027~~ ←HAFC to hold Otero county harmless from the loss of county local option gross receipts tax revenue, which shall be used for payment of principal and interest due in connection with, and other expenses related to, revenue bonds issued in 2007 for the purpose of constructing a facility to detain individuals for federal civil immigration violations

HAFC→~~. Any unexpended balance remaining at the end of fiscal year 2027 shall revert to the general fund~~ ←HAFC ;

(4) HAFC→~~seven hundred fifty thousand dollars~~

~~(\$750,000)~~ ←HAFC HAFC→**three hundred seventy-five thousand**

**dollars (\$375,000)** ←HAFC for Cibola county to hold Cibola

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county harmless from the estimated potential loss of county local option gross receipts tax revenue;

(5) HAFC→~~three million two hundred thousand~~  
~~dollars (\$3,200,000)~~←HAFC HAFC→one million six hundred thousand dollars (\$1,600,000)←HAFC for Cibola county to transport prisoners from Cibola county to a public correctional facility outside Cibola county;

HAFC→(6) four hundred fifty thousand dollars  
 (\$450,000) for Torrance county to transport prisoners from Torrance county to a public correctional facility outside Torrance county;←HAFC

HAFC→(6)←HAFC HAFC→(7)←HAFC HAFC→~~eight~~  
~~hundred fifty thousand dollars (\$850,000)~~←HAFC HAFC→~~four~~  
 hundred twenty-five thousand dollars (\$425,000)←HAFC for the village of Milan to hold the village of Milan harmless from the estimated potential loss of property tax revenue and revenue from the sale of water and sewer services;

HAFC→(7)←HAFC HAFC→(8)←HAFC HAFC→~~one million~~  
~~four hundred thousand dollars (\$1,400,000)~~←HAFC HAFC→~~seven~~  
 hundred thousand dollars (\$700,000)←HAFC for the village of Milan to hold the village of Milan harmless from the estimated potential loss of municipal local option gross receipts tax revenue; and

HAFC→(8)←HAFC HAFC→(9)←HAFC HAFC→~~one million~~  
~~seven hundred thousand dollars (\$1,700,000)~~←HAFC HAFC→~~eight~~

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**hundred fifty thousand dollars (\$850,000) ↪HAFC** for the city of Grants to hold the city of Grants harmless from the estimated potential loss of municipal local option gross receipts tax revenue.

B. If a municipality's or county's correctional facility is or will be used for any purpose for which the municipality or county may collect revenue that is being held harmless by the appropriations made pursuant to Subsection A of this section, the municipality or county shall notify the local government division of the department of finance and administration at least ninety days prior to the facility being used for that purpose. As of the date in which the facility is used for that purpose, no further disbursements to the municipality or county shall be made. If the municipality or county receives a disbursement while the facility is being used for that purpose or is otherwise receiving revenue for which it is to be held harmless pursuant to Subsection A of this section, the municipality or county shall reimburse the general fund the amount that was disbursed.

**HAFC→SECTION 2. APPROPRIATIONS.--**

A. The following appropriations are made from the general fund for expenditure in fiscal year 2026. Any unexpended balance remaining at the end of fiscal year 2026 shall revert to the general fund:

(1) two million seven hundred thousand dollars

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~~(\$2,700,000) to the juvenile justice division of the children, youth and families department to carry out the duties of that division; and~~

~~(2) seven million dollars (\$7,000,000) to the protective services division of the children, youth and families department to carry out the duties of that department.~~

~~B. The following appropriations are made from the general fund for expenditure in fiscal year 2027. Any unexpended balance remaining at the end of fiscal year 2027 shall revert to the general fund:~~

~~(1) eight million dollars (\$8,000,000) to the children, youth and families department to finalize and implement the department's child welfare information system;~~

~~(2) four million dollars (\$4,000,000) to the public education department for school improvement activities;~~

~~(3) two million dollars (\$2,000,000) to the department of finance and administration for payment to the Pueblo of Zia for past, present and future use by the state of the Zia symbol;~~

~~(4) four million dollars (\$4,000,000) to the aging and long-term services department for the department's New MexiCare program; and~~

~~(5) six million dollars (\$6,000,000) to the department of transportation for the rural air service enhancement grant program. ←HAFC~~

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