

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 273

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

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; MAKING OTHER  
APPROPRIATIONS.

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  
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underscored material = new  
[bracketed material] = delete

1 made from the general fund to the local government division of  
2 the department of finance and administration for expenditure in  
3 fiscal years 2027 and 2028, except as provided in Paragraph (2)  
4 of this subsection, for the following municipalities and  
5 counties to hold the municipalities and counties harmless from  
6 the potential loss of the following revenues the municipalities  
7 and counties may have collected pursuant to and attributable to  
8 an agreement that may have been made with a private entity to  
9 use a municipal or county correctional facility but for the  
10 prohibitions of such agreements pursuant to Laws 2026, Chapter  
11 5. Each appropriation shall be disbursed each month in an  
12 amount equal to one twenty-fourth of the amount appropriated.  
13 Any unexpended balance remaining at the end of each month and  
14 at the end of fiscal year 2028, except as provided in Paragraph  
15 (2) of this subsection, shall revert to the general fund:

16 (1) six hundred thousand dollars (\$600,000)  
17 for the town of Estancia to hold the town of Estancia harmless  
18 from the potential loss of municipal local option gross  
19 receipts tax revenue;

20 (2) six hundred thousand dollars (\$600,000)  
21 for Torrance county for expenditure in fiscal year 2027 to hold  
22 Torrance county harmless from the potential loss of county  
23 local option gross receipts tax revenue. Any unexpended  
24 balance remaining at the end of fiscal year 2027 shall revert  
25 to the general fund;

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1                   (3) seven million six hundred thousand dollars  
2 (\$7,600,000) for Otero county to hold Otero county harmless  
3 from the loss of county local option gross receipts tax  
4 revenue, which shall be used for payment of principal and  
5 interest due in connection with, and other expenses related to,  
6 revenue bonds issued in 2007 for the purpose of constructing a  
7 facility to detain individuals for federal civil immigration  
8 violations;

9                   (4) seven hundred fifty thousand dollars  
10 (\$750,000) for Cibola county to hold Cibola county harmless  
11 from the estimated potential loss of county local option gross  
12 receipts tax revenue;

13                   (5) three million two hundred thousand dollars  
14 (\$3,200,000) for Cibola county to transport prisoners from  
15 Cibola county to a public correctional facility outside Cibola  
16 county;

17                   (6) eight hundred fifty thousand dollars  
18 (\$850,000) for the village of Milan to hold the village of  
19 Milan harmless from the estimated potential loss of property  
20 tax revenue and revenue from the sale of water and sewer  
21 services;

22                   (7) one million four hundred thousand dollars  
23 (\$1,400,000) for the village of Milan to hold the village of  
24 Milan harmless from the estimated potential loss of municipal  
25 local option gross receipts tax revenue; and

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1 (8) one million seven hundred thousand dollars  
2 (\$1,700,000) for the city of Grants to hold the city of Grants  
3 harmless from the estimated potential loss of municipal local  
4 option gross receipts tax revenue.

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

20 SECTION 2. OTHER APPROPRIATIONS.--

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

25 (1) two million seven hundred thousand dollars

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1 (\$2,700,000) to the juvenile justice division of the children,  
2 youth and families department to carry out the duties of that  
3 division; and

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

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

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

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

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

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

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

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