

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.

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

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

19 (2) six hundred thousand dollars (\$600,000)
20 for Torrance county to hold Torrance county harmless from the
21 potential loss of county local option gross receipts tax
22 revenue;

23 (3) five million nine hundred forty thousand
24 dollars (\$5,940,000) for Otero county for expenditure in fiscal
25 year 2027 to hold Otero county harmless from the loss of county

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1 local option gross receipts tax revenue, which shall be used
2 for payment of principal and interest due in connection with,
3 and other expenses related to, revenue bonds issued in 2007 for
4 the purpose of constructing a facility to detain individuals
5 for federal civil immigration violations. Any unexpended
6 balance remaining at the end of fiscal year 2027 shall revert
7 to the general fund;

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

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

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

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

25 (8) one million seven hundred thousand dollars

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1 (\$1,700,000) for the city of Grants to hold the city of Grants
2 harmless from the estimated potential loss of municipal local
3 option gross receipts tax revenue.

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