

Proposed

SENATE _____ COMMITTEE SUBSTITUTE FOR
SENATE BILL 273

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

DISCUSSION DRAFT

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 AND OTERO 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 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
the department of finance and administration for expenditure in

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1 fiscal years 2027 and 2028 for the following municipalities and
2 counties to hold the municipalities and counties harmless from
3 the potential loss of the following revenues the municipalities
4 and counties may have collected pursuant to and attributable to
5 an agreement that may have been made with a private
6 correctional facility but for the prohibitions of such
7 agreements pursuant to Laws 2026, Chapter 5. Each
8 appropriation shall be disbursed each month in an amount equal
9 to one twenty-fourth of the amount appropriated. Any
10 unexpended balance remaining at the end of each month and at
11 the end of fiscal year 2028 shall revert to the general fund:

12 (1) six hundred thousand dollars (\$600,000)
13 for the town of Estancia to hold the town of Estancia harmless
14 from the potential loss of municipal local option gross
15 receipts tax revenue, which shall be used to repair the town of
16 Estancia's water well system;

17 (2) two million dollars (\$2,000,000) for Otero
18 county to hold Otero county harmless from the loss of county
19 local option gross receipts tax revenue, which shall be used
20 for payment of principal and interest due in connection with,
21 and other expenses related to, revenue bonds issued in 2007 for
22 the purpose of constructing a facility to detain individuals
23 for federal civil immigration violations;

24 (3) seven hundred fifty thousand dollars
25 (\$750,000) for Cibola county to hold Cibola county harmless

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

3 (4) three million two hundred thousand dollars
4 (\$3,200,000) for Cibola county to transport prisoners from
5 Cibola county to a public correctional facility outside Cibola
6 county;

7 (5) eight hundred fifty thousand dollars
8 (\$850,000) for the village of Milan to hold the village of
9 Milan harmless from the estimated potential loss of property
10 tax revenue and revenue from the sale of water and sewer
11 services;

12 (6) one million four hundred thousand dollars
13 (\$1,400,000) for the village of Milan to hold the village of
14 Milan harmless from the estimated potential loss of municipal
15 local option gross receipts tax revenue; and

16 (7) one million seven hundred thousand dollars
17 (\$1,700,000) for the city of Grants to hold the city of Grants
18 harmless from the estimated potential loss of municipal local
19 option gross receipts tax revenue.

20 B. A municipality and a county shall notify the
21 local government division of the department of finance and
22 administration at least ninety days prior to any agreement with
23 a private facility to detain individuals for federal civil
24 immigration violations. As of the date in which the agreement
25 goes into effect, no further disbursements to the municipality

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1 or county shall be made. If the municipality or county
2 receives a disbursement while the agreement is in effect or is
3 otherwise receiving revenue for which it is to be held harmless
4 pursuant to Subsection A of this section, the municipality or
5 county shall reimburse the general fund the amount that was
6 disbursed.