

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILL 6

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

AN ACT

RELATING TO PUBLIC FINANCE; REQUIRING THE LOCAL GOVERNMENT  
DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO  
PROVIDE ZERO-INTEREST LOANS TO POLITICAL SUBDIVISIONS OF THE  
STATE FOR PROJECTS TO REPLACE OR REPAIR PUBLIC INFRASTRUCTURE  
DAMAGED BY FIRE, FLOODING OR DEBRIS FLOWS CAUSED BY OR STEMMING  
FROM THE HERMITS PEAK-CALF CANYON FIRE; REQUIRING APPROVAL FOR  
FEDERAL ASSISTANCE FUNDING; REQUIRING REIMBURSEMENT CONTRACTS;  
PROVIDING FOR ENFORCEMENT; MAKING AN APPROPRIATION; DECLARING  
AN EMERGENCY.

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

SECTION 1. TEMPORARY PROVISION--LOANS TO POLITICAL  
SUBDIVISIONS--REPLACEMENT OR REPAIR OF PUBLIC INFRASTRUCTURE  
DAMAGED BY FIRE, FLOODING OR DEBRIS FLOWS--REQUIREMENT FOR  
PUBLIC ASSISTANCE GRANTS--REPORTS.--

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1           A. The local government division of the department  
2 of finance and administration, in consultation with the  
3 homeland security and emergency management department, shall  
4 provide zero-interest reimbursable loans to political  
5 subdivisions of the state that have been approved for federal  
6 public assistance funding for projects to replace or repair  
7 public infrastructure damaged by fire, flooding or debris flows  
8 caused by or stemming from the Hermits Peak-Calf Canyon fire.  
9 The local government division shall require a contract for  
10 reimbursement from a political subdivision of the state  
11 receiving a loan pursuant to this section. The contract shall  
12 specify:

13                   (1) that the political subdivision shall pay  
14 the loan using first dollars received from the approved federal  
15 public assistance funding that serves as the basis for the  
16 loan;

17                   (2) the political subdivision shall repay the  
18 loan within thirty days of having received the approved federal  
19 public assistance funding;

20                   (3) such notice or reporting requirements that  
21 the local government division deems necessary to be  
22 sufficiently informed regarding compliance with Paragraphs (1)  
23 and (2) this subsection; and

24                   (4) that upon failure to meet a requirement of  
25 this subsection, the loan shall be repaid at current market

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1 interest rates.

2 B. All loan repayments made pursuant to this  
3 section shall be deposited into the general fund.

4 C. The secretary of finance and administration  
5 shall take any and all legal actions necessary to enforce the  
6 terms of contracts entered into pursuant to this section.

7 D. On or before April 1, 2023, and every three  
8 months thereafter, the local government division shall provide  
9 a report to the legislative finance committee and the governor  
10 regarding the loans made pursuant to this section, including:  
11 the projects for which loan contracts have been made, the  
12 dollar amounts of those contracts, the repayments made pursuant  
13 to contracts, any breaches of contract and subsequent  
14 enforcement actions pursuant to this section. Reports pursuant  
15 to this subsection shall cease upon the final repayment on a  
16 contract pursuant to this section.

17 SECTION 2. APPROPRIATION.--

18 A. One hundred million dollars (\$100,000,000) is  
19 appropriated from the general fund to the local government  
20 division of the department of finance and administration for  
21 expenditure in fiscal years 2023 and 2024 for the following  
22 purposes:

23 (1) two hundred fifty thousand dollars  
24 (\$250,000) shall be used for issuance of loans and  
25 administration and enforcement of loan contracts entered into

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1 pursuant to Section 1 of this act; and

2 (2) ninety-nine million seven hundred fifty  
3 thousand dollars (\$99,750,000) shall be used to provide loans  
4 pursuant to Section 1 of this act.

5 B. Any unexpended or unencumbered balance remaining  
6 at the end of fiscal year 2024 shall revert to the general  
7 fund.

8 SECTION 3. EMERGENCY.--It is necessary for the public  
9 peace, health and safety that this act take effect immediately.