

LFC Requester:

Emily Hilla

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2025/1/27

Check all that apply:

Bill Number: SB134

Original x Correction
Amendment Substitute

Sponsor: Sen. George K. Muñoz and
Rep. Harlan Vincent

Agency Name and Code Number: 305 – New Mexico
Department of Justice

Short Title: NATURAL DISASTER
LOANS & FUND

Person Writing Analysis: Ben Lovell
Phone: 505-537-7676
Email: legisfir@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: §§ 6-4-2, 12-11-23 to -25
 Duplicates/Relates to Appropriation in the General Appropriation Act : Appropriates from the General Fund

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

The bill creates the Natural Disaster Loan Program allowing the Department of Finance to provide zero-interest reimbursable loans to political subdivisions of the state provided they have been approved for federal public assistance funding during a federally declared emergency. It does so by creating a “Natural Disaster Revolving Fund” for the purpose of providing loans to political subdivisions and amending the Appropriation Contingency Fund, § 6-4-2.3 NMSA 1978 to reference the Disaster Location Act § 12-11-23. The bill also explicitly defines what constitutes New Mexico State Reserves to include the new revolving fund.

FISCAL IMPLICATIONS

None for the NMDOJ.

SIGNIFICANT ISSUES

The bill allows for but does not require consultation with the Homeland Security and Emergency Management Departments. This bill may require courts to interpret the scope of Homeland Security and the Emergency Management Departments’ roles.

Additionally, this bill adds new material explicitly defining “State Reserves.” “State Reserves” are defined as consisting of the “(A) appropriation contingency fund; (B) general fund operating reserve; (C) government results and opportunity expendable trust; (D) state-support reserve fund; (E) tax stabilization reserve; and (F) natural disaster revolving fund.”

Section 5. This enumerated list of funds may preclude future funds from being used as state reserves.

PERFORMANCE IMPLICATIONS

No performance implications for the NMDOJ.

ADMINISTRATIVE IMPLICATIONS

No administrative implications for the NMDOJ.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill amends § 6-4-2.3 NMSA 1978, the “Appropriation Contingency Fund,” to reference the ‘Disaster Location Act’ § 12-11-23 to -25 NMSA 1978, instead of §§ 6-7-1 to -3, which were recompiled to §§12-11-23 to -25 in 2005. This effectively updates the reference in the appropriation contingency fund.

Additionally, this bill removes references to appropriations that took place in the seventy-ninth and eightieth fiscal years. The removal of this language does not conflict with current law.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

The reliance on FEMA for a determination of federal aid could be replaced with a more general requirement of approval of “federal public assistance funding for a federally declared natural disaster.”

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A