

1 SENATE BILL 7
2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2024**

3 INTRODUCED BY
4 William F. Burt and Harlan Vincent and William E. Sharer and
5 Greg Nibert and Mark Moores
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10 AN ACT
11 RELATING TO PUBLIC FINANCE; REQUIRING THE LOCAL GOVERNMENT
12 DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO
13 PROVIDE ZERO-INTEREST LOANS TO FEDERAL DISASTER RESPONSE PUBLIC
14 ASSISTANCE ELIGIBLE APPLICANTS FOR PROJECTS TO REPLACE OR
15 REPAIR PUBLIC INFRASTRUCTURE DAMAGED BY FIRE, FLOODING, DEBRIS
16 FLOWS OR HAIL CAUSED BY OR STEMMING FROM THE SALT FIRE, THE
17 SOUTH FORK FIRE OR STORM EVENTS THAT SERVED AS THE BASIS FOR
18 THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S DISASTER DECLARATION
19 FEMA-4795-DR AS AMENDED ON JULY 11, 2024; REQUIRING APPROVAL
20 FOR FEDERAL ASSISTANCE FUNDING; REQUIRING REIMBURSEMENT
21 CONTRACTS; PROVIDING FOR ENFORCEMENT; MAKING AN APPROPRIATION;
22 DECLARING AN EMERGENCY.
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24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

25 SECTION 1. TEMPORARY PROVISION--LOANS TO FEDERAL DISASTER

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1 RESPONSE PUBLIC ASSISTANCE ELIGIBLE APPLICANTS--REPLACEMENT OR
2 REPAIR OF PUBLIC INFRASTRUCTURE DAMAGED BY FIRE, FLOODING,
3 DEBRIS FLOWS OR HAIL--REQUIREMENT FOR PUBLIC ASSISTANCE
4 GRANTS--REPORTS.--

5 A. The local government division of the department
6 of finance and administration, in consultation with the
7 homeland security and emergency management department, shall
8 provide zero-interest reimbursable loans to federal disaster
9 response public assistance eligible applicants that have been
10 approved for federal public assistance funding for projects to
11 replace or repair public infrastructure damaged by fire,
12 flooding, debris flows or hail caused by or stemming from the
13 Salt fire, the South Fork fire or storm events that serve as
14 the basis for the federal emergency management agency's
15 disaster declaration FEMA-4795-DR as amended on July 11, 2024.
16 The local government division shall require a contract for
17 reimbursement from a recipient receiving a loan pursuant to
18 this section. The contract shall specify:

19 (1) that the recipient of the loan shall pay
20 the loan first using dollars received from the approved federal
21 public assistance funding that serves as the basis for the
22 loan;

23 (2) that the recipient of the loan shall repay
24 the loan within ninety days of having received the approved
25 federal public assistance funding;

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

5 (4) that, upon failure to meet a requirement
6 of this subsection, the loan shall be repaid at current market
7 interest rates.

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

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

13 D. On or before April 1, 2025, and every three
14 months thereafter, the local government division shall provide
15 a report to the legislative finance committee and the governor
16 regarding the loans made pursuant to this section, including:
17 the projects for which loan contracts have been made, the
18 dollar amounts of those contracts, the repayments made pursuant
19 to contracts, any breaches of contract and subsequent
20 enforcement actions pursuant to this section. Reports pursuant
21 to this subsection shall cease upon the final repayment on a
22 contract pursuant to this section.

23 SECTION 2. APPROPRIATION.--

24 A. Two hundred million dollars (\$200,000,000) is
25 appropriated from the general fund to the local government

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1 division of the department of finance and administration for
2 expenditure in fiscal years 2025 and 2026 for the following
3 purposes:

4 (1) two hundred fifty thousand dollars
5 (\$250,000) shall be used for issuance of loans and
6 administration and enforcement of loan contracts entered into
7 pursuant to Section 1 of this act; and

8 (2) one hundred ninety-nine million seven
9 hundred fifty thousand dollars (\$199,750,000) shall be used to
10 provide loans pursuant to Section 1 of this act.

11 B. Any unexpended or unencumbered balance remaining
12 at the end of fiscal year 2026 shall revert to the general
13 fund.

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