



**STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT**

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Michelle Lujan Grisham
Governor

Howie Morales
Lieutenant Governor

Josett D. Monette
Cabinet Secretary

Aurora Valdez
Deputy Cabinet Secretary

March 13, 2026

Re: Notice of House Bill 247 – Capital Outlay Changes

Dear Tribal Leadership,

On March 9, Governor Lujan Grisham signed House Bill 247 – Capital Outlay Changes (the Bill). The Bill modifies capital outlay reauthorizations and appropriations. Please see a summary of the Bill below. IAD encourages you to review the Bill entirely, attached hereto.

- Reauthorizations and Reappropriations.
 - A project may only be reauthorized or reappropriated if it has *encumbered* at least ten percent (10%) of the initial appropriation by January 1 of that year.
 - However, the project may only be reauthorized or reappropriated *one (1) time and for no more than two (2) years.*
 - A project may be reauthorized or reappropriated for a technical change. However, a project *may not* be altered to change the original purpose.
 - A technical change is defined within the Bill. A technical change does not include altering the original purpose of the project.
 - Capital Outlay appropriations from the General Fund for tribal projects shall revert to the tribal infrastructure project fund.

Overall, reauthorizations would be modified so that a project would only have the potential to be reauthorized or reappropriated once, for a time extension of no more than two years (not for a change in purpose), so long as the project has encumbered at least ten percent (10%) of the initial appropriation.

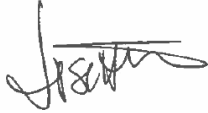
- Authorizations and Appropriations.
 - Appropriations of \$100,000 or more will only be allowed if the project is on the ICIP.

- The Department of Finance and Administration (DFA) shall freeze accounts for all projects that have no encumbrance or expenditure by January 1 of the fiscal year they are set to revert. Any encumbrance after that date will be invalid.
 - The balances of those accounts, as determined by DFA, will be available for authorization or appropriation in that fiscal year for other purposes.
- Effective Date.
 - The changes will apply to capital appropriations made on or after January 1, 2027.

IAD will provide training and technical assistance on these changes as needed.

Please contact me at josett.monette@iad.nm.gov or 505-690-1661 with any questions.

Sincerely,



Josett D. Monette, Esq.
Cabinet Secretary

cc: Tribal Administrators
Enc: HB 247