

Analysis of 2026 Statutory Changes to the Capital Outlay and Reauthorization Processes; Capital Outlay Appropriations to the City of Santa Fe; Final Status of Capital Outlay Reauthorization Requests for the City of Santa Fe

2026 Capital Outlay Appropriations Awarded to the City of Santa Fe

TOP FIVE PRIORITIES

- #1 Large Capacity Non-Congregate Shelter: \$750,000**
- #2 Paseo Real WW Reclamation Facility: \$0**
- #3 Police Training Facility (Shooting Range & Driving Course): \$50,000**
- #4 Airport Terminal Expansion Phase 2: \$3,250,000**
- #5 Midtown Redevelopment Infrastructure Improvements: \$0**

TOTAL FUNDING FOR PRIORITIES: \$4,050,000.00

TOP FOUR DISTRICT PRIORITIES

- Dist.#1 Arroyo Torreon Channel Improvements: \$100,000**
- Dist. #2 Ragle Park Baseball Fields Phase 3: \$750,000**
- Dist. #3 Santa Fe Median Beautification Project Phase 1: \$450,000**
- Dist. #4 Herb Martinez Park Improvements: \$700,000**

TOTAL FUNDING FOR COUNCIL DISTRICT PRIORITIES: \$2,000,000.00

TOTAL FUNDING FOR TOP NINE CITY OF SANTA PRIORITIES: \$6,050,000.00

OTHER CAPITAL PROJECTS FUNDED WITHIN THE CITY WORTH NOTING

- A) Camino Torcido Loop Design: \$50,000 -- NMDOT
- B) Cerrillos Rd./Camino del los Arroyos Infra Imp: \$375,000 – NM Env Dept
- C) Santa Fe Affordable Home Const: \$1,550,000 – NM Mortgage Fin Authority
- D) North Ridgetop Rd. Housing Dev (sewer, roads): \$650,000 – NMDOT
- E) NM Emergency Ops Ctr Const: \$10,000,000 – NM Homeland Security Dept
- F) Arts & Cultural Bldg Ren: \$250,000 – Appropriated to Santa Fe through the DFA Local Government Division; NOTE: Due to statutory changes going into effect for FY'27, this type of project will likely not be eligible for future

capital outlay appropriations that exceed \$100,000 because this is a local government division project for the City of Santa Fe, and this project is not listed on the City's ICIP (unless it was referenced by ICIP ID# 36137 – Midtown Redevelopment Infrastructure Improvements); however, this is probably not a Midtown infrastructure improvement project.

- G) Santa Fe Fire Dept Fitness Equipment Purchase: \$250,000 -- Appropriated to Santa Fe through the DFA Local Government Division; NOTE: Due to statutory changes going into effect for FY'27, this type of project will likely not be eligible for future capital outlay appropriations that exceed \$100,000 because this is a local government division project for the City of Santa Fe, and this project is not listed on the City's ICIP. There is an ICIP ID number (40038) for "remodeling of fire station facilities"); however, this appropriation is for the purchase of fitness equipment and is probably not for facility remodeling.
- H) Santa Fe Plaza Improvements: \$1,000,000 – DFA/Governor MLG
- I) Tierra Contenta Aff Housing Inf Imp: \$275,000 – Workforce Solutions Dept
- J) Santa Fe Community Park Const in Acequia Trail Area: \$900,000 – Workforce Solutions Dept.

2026 Capital Outlay Reauthorization Requests – Includes Vetoed Requests

Six capital outlay reauthorization requests were submitted to the Legislature for approval. All six requests were incorporated into HB 332; however, Governor MLG vetoed three of the six requests with the exact same executive message for each one: "this appropriation has not been spent to date." The rationale used by the Governor for her line-item veto was that there has been no spending activity for the three projects since the appropriation was originally approved.

Reauthorization Req #1: Harrison Road Improvements

Signed

\$85,000 Secured

Reauthorization Req #2: Pacheco St. Road Improvements

Signed

\$150,000 Secured

Reauthorization Req #3: Tierra Contenta Trail Improvements

Signed

\$113,520 Secured

Reauthorization Req #4: Gov. Miles Road Improvements

Vetoed

(\$300,000)

Reauthorization Req #5: Median Beautification Projects

Vetoed

(\$1,700,000)

Reauthorization Req #6; Supportive Housing Project - Lamplighter

Vetoed

(\$844,470)

2026 Statutory Changes to the Capital Outlay Process

House Bill 247 (Signed into law by the Governor) – Key Provisions

- **No capital outlay project may be reauthorized more than once for a period of no more than two years and at least ten percent of the initial appropriation must have been encumbered by January 1 of that initial fiscal year as determined by the DFA – not the local government;**
- **No capital outlay reauthorization can alter the original purpose of the project;**
- **No capital outlay appropriation for \$100,000 or more is allowed UNLESS that project is included on an ICIP;**
- **If a capital outlay project is funded with general fund money or if severance tax bonds are issued for a project but no money has been expended or encumbered by January 1 of the fiscal year in which the balance will revert, the DFA shall freeze the account and any encumbrance after that date shall be considered invalid;**
- **DFA shall provide a report each year to the Legislature by January 15 on the capital outlay projects that have been frozen**