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FISCAL IMPACT REPORT

SPONSOR	Reps. Chasey and Vincent/Sens. Burt and Stefanics	LAST UPDATED	7/18/2024
SHORT TITLE	Feed Bill, Fire Relief & Court Treatment	BILL NUMBER	House Bill 1/ec
		ANALYST	Courtney

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$211.9		Nonrecurring Section 1	Legislative Cash Balances
\$100,000.0*		Nonrecurring Section 2	General Fund
\$3,000.0		Nonrecurring Section 3	General Fund

Parentheses () indicate expenditure decreases.

*Note Section 2 items C and D totaling \$80 million would be available for FY25 and FY26.

Sources of Information

LFC Files

SUMMARY

Synopsis of House Bill 1

House Bill 1 appropriates \$211.9 thousand from legislative cash balances for expenses of the First Special Session of the Fifty-Sixth Legislature in FY25 (Section 1), appropriates \$100 million from the general fund to several agencies for expenses related to wildfires for expenditure in FY25 with \$80 million available through FY26 (Section 2), and appropriates \$3 million to the Administrative Office of the Courts (AOC) for assisted outpatient treatment (AOT) programs and competency diversion pilot programs for expenditure in FY25 (Section 3). The bill would become effective immediately if signed by the governor.

FISCAL IMPLICATIONS

In Section 1, House Bill 1 appropriates \$83.8 thousand for expenses from the House of Representatives, \$60.4 thousand for expenses by the Senate, and \$67.7 thousand for expenses of the Legislative Council Service.

In Section 2, House Bill 1 appropriates \$10 million from the general fund to the Indian Affairs Department for FY25 for the purpose of distribution to the Mescalero Apache tribe for damages and losses from the South Fork and Salt fires. Remaining balances at the end of FY25 would revert to the general fund.

Section 2 also contains a \$10 million appropriation from the general fund to the Energy, Minerals and Natural Resources Department (EMNRD) for FY25, with instruction for consultation from the Department of Homeland Security and Emergency Management (DHSEM), for the purposes of wildfire mitigation, watershed restoration, slope stabilization, erosion control, post-fire management due to damages, flooding, or a wildfire including damages from flooding or debris flow caused by a wildfire, along with regional master planning of public infrastructure reconstruction due to damages from flooding or a wildfire, including damages from flooding or debris flows attributable to a wildfire. Remaining balances at the end of FY25 would revert to the general fund.

Section 2 also contains a \$10 million appropriation from the general fund to DHSEM for FY25 and FY26, with instruction for consultation with the Office of Superintendent of Insurance (OSI), for the purpose of providing support to individuals and businesses related to applications or claims for public assistance funding from the federal emergency management agency and private insurance claims related to damages from flooding or a wildfire, including damages from flooding or debris flows attributable to a wildfire. Remaining balances at the end of FY26 would revert to the general fund.

Section 2 also contains a \$70 million appropriation from the general fund to the Department of Finance and Administration (DFA) for expenditure in FY25 and FY26 for the purpose of providing zero-interest reimbursable loans to political subdivisions of New Mexico that have been approved for federal public assistance funding to replace or repair public infrastructure damaged by the Salt and South Fork fires including damages from flooding or debris flows from those fires. Remaining balances at the end of FY26 would revert to the general fund.

In Section 3, House Bill 1 appropriates \$3 million from the general fund to the Administrative Office of the Courts (AOC) for expenditure in FY25 for the purposes of funding assisted outpatient treatment programs and competency diversion pilot programs. Remaining balances at the end of FY25 would revert to the general fund.

These appropriations would be available for spending starting in the current fiscal year with \$80 million from Section 2 (\$10 million to DHSEM and \$70 million to DFA) available through FY26.

SIGNIFICANT ISSUES

The \$70 million appropriation to DFA is similar to Senate Bill 6 from the 2023 legislative session (Laws 2023, Chapter 2) including specification that DFA require a contract for reimbursement from the political subdivisions receiving loans that include a requirement of repayment first using dollars received from federal funding that serve as the basis for the loan.

Regarding the \$3 million appropriation to AOC, in a July 10, 2024, letter, AOC outlined costs for expansion of civil competency AOT and criminal competency diversion programs totaling \$3 million. The proposal includes two statewide program managers and four local program managers. Funding would also cover two data analysts, AOT treatment expenses, funding for court-appointed attorneys for AOT, 8 navigators for the competency division, and database costs. Some treatment expenses for AOT participants are likely and would be covered by Medicaid for those participants that qualify.

JC/ne/al