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FISCAL IMPACT REPORT

SPONSOR Stefanics/Sanchez **LAST UPDATED** _____
ORIGINAL DATE 2/12/2025
SHORT TITLE Valencia County Police Departments **BILL** _____
NUMBER Senate Bill 306
ANALYST Hilla

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 2

Sources of Information

LFC Files

Agency Analysis Received From
Department of Public Safety (DPS)

Agency Analysis was Solicited but Not Received From
Department of Finance and Administration (DFA)
New Mexico Counties (NMC)

SUMMARY

Synopsis of Senate Bill 306

Senate Bill 306 (SB306) appropriates \$1 million from the general fund to the Department of Finance and Administration (DFA) for start-up costs for new police departments in communities within Valencia County with populations of up to 5,000. These funds are to be used for officer's salaries, training, and equipment.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund. Significantly, the ongoing costs of a police department are an expense for the local government.

Three communities within Valencia County have populations under 5,000 according to the U.S. Census Bureau: Bosque Farms, 4,076; Peralta, 3,428; and Rio Communities, 4,907. While there is no national standard for police staffing, *Governing Magazine* found¹ most smaller communities typically have one officer for every 625 people. That suggests these communities collectively would employ about 20 officers. At a cost of \$75 thousand per officer, for a total of \$1.5 million, it is possible the appropriation would be inadequate to cover the first year of salaries.

SIGNIFICANT ISSUES

The LFC recommended version of the General Appropriation Act would reauthorize funding to DFA for similar purposes as SB306. The General Appropriation Act of 2024 appropriated \$25 million to DFA for the purpose for law enforcement recruitment, of which Valencia County received \$375 thousand for five law enforcement positions at the cost of \$75 thousand per staff. DFA plans for this funding to be expended through FY27, with 100 percent of staff costs covered in the first year (FY25), 50 percent in the second year (FY26), and 25 percent of costs in the third year (FY27). SB306 should consider a similar cost allocation model as DFA to ensure that communities with populations less than 5,000 can find a recurring funding source for law enforcement staff, as opposed to the alternative of SB306 funding salaries only for FY26 and creating a gap of future funding.

Additionally, DFA was appropriated \$106 million in 2023 for a large law enforcement special appropriation, of which \$57 million is dedicated for law enforcement officers; Valencia County received funding for three officers at \$75 thousand each. This is for expenditure through FY26. Since 2023, Valencia County has received \$600 thousand from DFA for eight law enforcement officer positions.

Valencia County has received capital outlay funding in the past for additions to police and sheriff departments. The county also received \$400 thousand from government results and opportunity funding, which includes \$200 thousand for the Valencia County sheriff's office programmatic costs and \$200 thousand for the city of Belen law enforcement programmatic costs and resources. Similarly to previous state funding for law enforcement positions, it does not seem that Valencia County has received direct funding for communities with populations smaller than 5,000.

The Department of Public Safety (DPS) states establishing new police departments requires adherence to state and federal law enforcement regulations, which would require significant administrative workload for the new departments to be in compliance. The new law enforcement agencies would need to be in compliance with the Law Enforcement Training Act. Due to various federal regulations and compliance standards, DPS notes that the new law enforcement agencies created by SB306 would need to be structured in a way to facilitate and maintenance access to various federal databases.

¹ <https://www.governing.com/archive/gov-cities-police-officers-hiring.html>

ADMINISTRATIVE IMPLICATIONS

DPS states its Law Enforcement Records Bureau would need to facilitate onboarding to the new agencies to ensure consistency in crime data reporting. DPS also states additional police would need to undergo training provided by the Law Enforcement Academy.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB306 relates to appropriations in the General Appropriation Act, See “Significant Issues.”

EH/rl/hg/sgs