

1 SENATE BILL 432

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Steve D. Lanier and Pat Woods

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10 AN ACT

11 RELATING TO BEHAVIORAL HEALTH; CREATING THE BEHAVIORAL HEALTH
12 GRANT PROGRAM AND THE BEHAVIORAL HEALTH GRANT PROGRAM FUND;
13 MAKING DISTRIBUTIONS TO THE BEHAVIORAL HEALTH GRANT PROGRAM
14 FUND FROM NET RECEIPTS ATTRIBUTABLE TO THE LIQUOR EXCISE TAX
15 AND THE CANNABIS EXCISE TAX; DISTRIBUTING A PORTION OF THE
16 LIQUOR EXCISE TAX TO THE HEALTH CARE AUTHORITY TO INCREASE
17 MEDICAID REIMBURSEMENT FOR COMMUNITY-BASED PROGRAMS AND
18 SERVICES FOR THE PREVENTION, TREATMENT AND SCREENING OF
19 BEHAVIORAL HEALTH ISSUES.

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21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

22 SECTION 1. [NEW MATERIAL] BEHAVIORAL HEALTH GRANT
23 PROGRAM.--

24 A. The division shall establish a behavioral health
25 grant program to make grants to municipalities and counties for

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1 new or existing community-based programs or services for the
2 prevention, treatment and screening of behavioral health
3 issues. Grants shall be awarded by the division pursuant to
4 the advice and recommendation of the behavioral health services
5 division of the health care authority and the interagency
6 behavioral health purchasing collaborative.

7 B. In awarding grants, the division shall:

8 (1) give consideration to a broad range of
9 approaches to prevention, treatment and screening of behavioral
10 health issues and prioritize those that are evidence-based or
11 research-based;

12 (2) make grants only to counties that submit
13 an adopted county behavioral health plan or municipalities that
14 submit an adopted municipal behavioral health plan;

15 (3) consult with the behavioral health
16 services division of the health care authority to develop and
17 use guidelines to ensure equity when prioritizing and selecting
18 grant recipients that take into consideration geographic
19 allocation, per capita deaths or accidents related to
20 behavioral health issues, needs-based assessments, population
21 and availability of existing programs and services; and

22 (4) not make grants for programs or services
23 that are inconsistent with the statewide master plan developed
24 by the interagency behavioral health purchasing collaborative
25 pursuant to Section 24A-3-1 NMSA 1978.

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1 C. The division may prioritize innovative or model
2 programs and programs designed to prevent, treat and screen
3 behavioral health issues of children.

4 D. A municipality or county seeking a grant shall
5 apply to the division on forms and in the manner required by
6 the division.

7 E. As used in this section:

8 (1) "division" means the local government
9 division of the department of finance and administration;

10 (2) "evidence-based" means that a program,
11 service or activity:

12 (a) incorporates methods demonstrated to
13 be effective for the intended population through scientifically
14 based research, including statistically controlled evaluations
15 or randomized trials;

16 (b) can be implemented with a set of
17 procedures to allow successful replication in New Mexico; and

18 (c) when possible, has been determined
19 to be cost beneficial; and

20 (3) "research-based" means that a program,
21 service or activity has some research demonstrating
22 effectiveness, but does not yet meet the standard of
23 evidence-based.

24 SECTION 2. [NEW MATERIAL] BEHAVIORAL HEALTH GRANT PROGRAM

25 FUND.--The "behavioral health grant program fund" is created as
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1 a nonreverting fund in the state treasury. The fund consists
2 of distributions, appropriations, gifts, grants, donations and
3 income from investment of the fund. The local government
4 division of the department of finance and administration shall
5 administer the fund. Money in the fund is subject to
6 appropriation by the legislature for the purposes of awarding
7 grants pursuant to Section 1 of this 2025 act. Expenditures
8 from the fund shall be by warrant of the secretary of finance
9 and administration pursuant to vouchers signed by the director
10 of the local government division or the director's authorized
11 representative.

12 SECTION 3. [NEW MATERIAL] ADMINISTRATION OF BEHAVIORAL
13 HEALTH GRANT PROGRAM--RULES.--The local government division of
14 the department of finance and administration shall:

15 A. administer and evaluate the behavioral health
16 grant program; and

17 B. promulgate rules necessary for operation of the
18 behavioral health grant program, including:

- 19 (1) eligibility requirements;
20 (2) forms and procedures for the application
21 process;
22 (3) documentation to be provided by the
23 applicant to ensure compliance with the program requirements;
24 (4) procedures and guidelines for review,
25 evaluation and approval of grant awards; and

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1 (5) procedures and guidelines for oversight,
2 evaluation and audit of grantees to ensure that grants are
3 being administered in the manner and for the purposes that the
4 grants were awarded, including submission by each grantee of an
5 annual report on the data, outcomes and effectiveness of its
6 programs and services.

7 SECTION 4. Section 7-1-6.40 NMSA 1978 (being Laws 1997,
8 Chapter 182, Section 1, as amended) is amended to read:

9 "7-1-6.40. DISTRIBUTION OF LIQUOR EXCISE TAX--LOCAL DWI
10 GRANT FUND--CERTAIN MUNICIPALITIES--DRUG COURT FUND--BEHAVIORAL
11 HEALTH GRANT PROGRAM FUND--HEALTH CARE AUTHORITY.--

12 A. A distribution pursuant to Section 7-1-6.1 NMSA
13 1978 in an amount equal to forty-five percent of the net
14 receipts attributable to the liquor excise tax shall be made to
15 the local DWI grant fund.

16 B. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 of twenty thousand seven hundred fifty dollars (\$20,750)
18 monthly from the net receipts attributable to the liquor excise
19 tax shall be made to a municipality that is located in a class
20 A county and that has a population according to the most recent
21 federal decennial census of more than thirty thousand but less
22 than sixty thousand and shall be used by the municipality only
23 for the provision of alcohol treatment and rehabilitation
24 services for street inebriates.

25 C. [~~Beginning July 1, 2019~~] A distribution pursuant
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1 to Section 7-1-6.1 NMSA 1978 in an amount equal to five percent
2 of the net receipts attributable to the liquor excise tax shall
3 be made to the drug court fund.

4 D. A distribution pursuant to Section 7-1-6.1 NMSA
5 1978 in an amount equal to two percent of the net receipts
6 attributable to the liquor excise tax shall be made to the
7 behavioral health grant program fund.

8 E. A distribution pursuant to Section 7-1-6.1 NMSA
9 1978 in an amount equal to two percent of the net receipts
10 attributable to the liquor excise tax shall be made to the
11 health care authority to increase medicaid reimbursement for
12 new or existing programs or services for the prevention,
13 treatment and screening of behavioral health issues."

14 SECTION 5. Section 7-1-6.68 NMSA 1978 (being Laws 2021
15 (1st S.S.), Chapter 4, Section 50, as amended) is amended to
16 read:

17 "7-1-6.68. DISTRIBUTION--CANNABIS EXCISE TAX--
18 MUNICIPALITIES AND COUNTIES--BEHAVIORAL HEALTH GRANT PROGRAM
19 FUND.--

20 A. A distribution pursuant to Section 7-1-6.1 NMSA
21 1978 shall be made to each municipality, subject to any
22 increase or decrease made pursuant to Section 7-1-6.15 NMSA
23 1978, in an amount equal to thirty-three and thirty-three
24 hundredths percent of the net receipts attributable to the
25 cannabis excise tax from business locations within the

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1 municipality as reported pursuant to Section 7-42-4 NMSA 1978.

2 B. A distribution pursuant to Section 7-1-6.1 NMSA
3 1978 shall be made to each county in an amount equal to thirty-
4 three and thirty-three hundredths percent of the net receipts
5 attributable to the cannabis excise tax from business locations
6 within the county area of the county as reported pursuant to
7 Section 7-42-4 NMSA 1978.

8 C. A distribution pursuant to Section 7-1-6.1 NMSA
9 1978 shall be made to the behavioral health grant program fund
10 in an amount equal to five percent of the net receipts
11 attributable to the cannabis excise tax.

12 [~~E.~~] D. The department may deduct an amount not to
13 exceed three percent of the distributions made pursuant to this
14 section for the reasonable costs for administering the
15 distributions.

16 [~~D.~~] E. As used in this section, "county area"
17 means that portion of a county located outside the boundaries
18 of any municipality."

19 SECTION 6. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is July 1, 2025.