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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/6/25

SPONSOR Little

BILL
NUMBER House Bill 16

SHORT TITLE Fentanyl Trafficking Sentences

ANALYST Sanchez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

| Agency/Program | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|------------------|------------------|-----------------|-----------------|-------------------|---------------------------|---------------|
| NMCD | No fiscal impact | At least \$28.2 | At least \$28.2 | At least \$56.4 | Recurring | General Fund |
| Cost to Counties | No fiscal impact | At least \$19.2 | At least \$19.2 | At least \$38.4 | Recurring | General Fund |
| Total | No fiscal impact | At least \$47.4 | At least \$47.4 | At least \$94.8 | Recurring | General Fund |

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

Agency Analysis was Solicited but Not Received From
Corrections Department (NMCD)
Administrative Office of the Courts (AOC)
Administrative Office of the District Attorneys (AODA)
Law Offices of the Public Defender (LOPD)
New Mexico Sentencing Commission (NMSC)
Office of the Attorney General (NMAG)

SUMMARY

Synopsis of House Bill 16

House Bill 16 (HB16) proposes amendments to the Criminal Sentencing Act to enhance penalties for trafficking fentanyl in New Mexico. The bill mandates increased sentencing for individuals convicted of trafficking controlled substances under Section 30-31-20 NMSA 1978 when the offense involves fentanyl. If a court or jury determines that fentanyl was possessed in connection with the trafficking crime, the offender's basic sentence of imprisonment, as prescribed in Section 31-18-15 NMSA 1978, may be increased by up to three years.

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 overall financial impact on the Corrections Department (NMCD) will depend on the number of new cases resulting from this legislation. Still, even a modest increase in convictions could lead to significant expenditures over time. The creation of any new crime, increase of felony degree, or increase of sentencing penalties will likely increase the population of New Mexico's prisons and jails, consequently increasing long-term costs to state and county general funds. In addition to the potential for new crimes to send more individuals to prison and jail, longer sentences could result in fewer releases relative to admissions, driving up overall populations.

NMCD reports the average cost to incarcerate a single inmate in FY24 was \$59.3 thousand; however, due to the high fixed costs of the state's prison facilities and administrative overhead, LFC estimates a marginal cost (the cost per each additional inmate) of \$28.2 thousand per year across all facilities. LFC staff estimate the cost to counties to hold an individual in jail prior to incarceration is \$19.2 thousand per year.

Additionally, the increased prosecution and adjudication of enhanced sentencing cases may require additional resources for district attorneys, public defenders, and the judiciary, potentially leading to higher operational costs for the criminal justice system. Conversely, the bill could have a deterrent effect on fentanyl trafficking, potentially reducing future law enforcement and public health expenditures associated with drug-related crimes and overdoses. However, without investments in prevention, treatment, and harm reduction programs, the long-term fiscal impact may lean more toward increased incarceration costs rather than reduced crime rates.

SIGNIFICANT ISSUES

HB16 proposes sentencing enhancements for fentanyl trafficking to reflect growing concerns about the public health and safety risks associated with the drug's potency and its role in the state's overdose crisis. However, increasing mandatory sentences could contribute to higher incarceration rates, raising questions about the long-term effectiveness of punitive measures versus treatment-focused approaches to addressing substance abuse. Additionally, the bill's implementation could have implications for judicial discretion because judges may have less flexibility in sentencing individuals based on the circumstances of their cases. Law enforcement and prosecutorial resources could also be impacted because cases involving fentanyl may require more extensive investigations and court proceedings. Finally, the potential for unintended consequences, such as an increase in plea bargains to avoid enhanced sentencing or shifting trafficking patterns, should be considered in the broader discussion of drug policy and criminal justice in New Mexico.

SS/hj/hg/sgs