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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/24/25

**SPONSOR** Anaya/Parajón

**BILL**  
**NUMBER** House Bill 514

**SHORT TITLE** Probation and Parole Changes

**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 \$58.4	Recurring	General Fund
Cost to Counties	No fiscal impact	At least \$19.2	At least \$19.2	At least \$38.4	Recurring	General Fund
Parole Board	No fiscal impact	\$500.0 to \$1,500.0	No fiscal impact	\$500 to \$1,500.0	Nonrecurring	General Fund
Parole Board	No fiscal impact	\$300.0 to \$1,000.0	\$350.0 to \$1,000.0	\$700.0 to \$2,000.0	Recurring	General Fund
<b>Total</b>	<b>No fiscal impact</b>	<b>\$847.4 to \$2,547.4</b>	<b>\$397.4 to \$1,047.4</b>	<b>\$1,394.8 to \$3,594.8</b>	Recurring	General Fund

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

### Sources of Information

LFC Files

Agency Analysis Received From  
Corrections Department (NMCD)  
Parole Board (NMPB)

Agency Analysis was Solicited but Not Received From  
Administrative Office of the Courts (AOC)  
Sentencing Commission (NMSC)

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. If that analysis is received, this analysis could be updated.

## SUMMARY

### Synopsis of House Bill 514

House Bill 514 (HB514) proposes amendments to Section 32-21, NMSA 1978 (the Probation and Parole Act), establishing a graduated response system for probation and parole violations and modifying statutory definitions related to supervision. The bill enacts a new section in Section 31-20, NMSA 1978 (Sentencing), directing the Corrections Department (NMCD) to create and implement a system of graduated responses for addressing probation and parole

violations, including technical violations and absconding. The system would set presumptive sanctions based on factors such as the severity of the violation, an individual's prior criminal history, risk assessment, and previous sanctions. Additionally, the system must incorporate compliance incentives and establish procedures for individuals to contest imposed sanctions.

HB514 also revises Section 31-21-5, NMSA 1978, by updating definitions, including "probation," "parole," and "technical violation." The bill defines a "technical violation" as a breach of supervision conditions that does not involve a new arrest, absconding, unauthorized contact with victims or witnesses, or violations of protective orders. Amendments to Sections 31-21-14 and 31-21-15 NMSA 1978 require that all appropriate graduated responses be exhausted before seeking probation or parole revocation. For technical violations, the bill prescribes incarceration periods of up to 15 days for the first violation, 30 days for the second, and 90 days for the third. A fourth or subsequent technical violation may lead to revocation and incarceration for the remainder of the sentence.

The bill mandates that NMCD train probation and parole officers on the graduated response system and submit an implementation plan to the Legislature by January 1, 2026. Full implementation is required by July 1, 2026. Additionally, the bill allows courts and the Parole Board (NMPB) to impose stricter sanctions for technical violations committed by individuals under supervision for serious violent offenses, provided there is clear and convincing evidence connecting the violation to the original offense.

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**

HB514 may result in additional costs for NMCD, NMPB, county detention centers, and the judicial system due to the implementation of a graduated response system for probation and parole violations. Incarceration drives costs in the criminal justice system, so any changes in the number of individuals in prison and jail and the length of time served in prison and jail that might result from this bill could have significant fiscal impacts. 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. 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 additional inmate) of \$28.2 thousand per year across all facilities. LFC estimates a marginal cost (the cost per additional inmate) of \$19.2 per county jail inmate per year based on incarceration costs at the Metropolitan Detention Center.

Some of HB514's provisions are anticipated to increase the number of incarcerated individuals and increase the time they spend incarcerated. Overall, the provisions of HB514 are expected to result in a net increase in incarceration costs for the state's prisons. The extent of the fiscal impact on incarceration costs will depend on the number of additional convictions and the sentencing outcomes associated with HB514's provisions. This analysis assumes the incarceration of one additional individual annually.

The bill does not specify a direct appropriation, but agencies may incur costs associated with

officer training, system development, data tracking, and additional administrative processes. The requirement for NMCD to implement and monitor a structured system of presumptive sanctions could necessitate new reporting and tracking structures, including potential investment in a case management database for NMPB to ensure consistency in revocation proceedings. If the use of GPS monitoring is expanded to determine "willfulness" in absconding cases, NMCD could face substantial costs for tracking devices and monitoring services. The judicial system, including the courts, district attorneys, and public defenders, may also experience increased caseloads related to technical violations and revocation proceedings, potentially requiring additional resources.

NMPB did not provide specific cost estimates in its analysis of HB514, but the bill's requirements suggest the agency may incur significant expenses. One primary cost driver is the need for a dedicated case management system to track revocation decisions and ensure the consistent application of graduated sanctions. Developing and implementing such a system could range from \$500 thousand to \$1.5 million in upfront costs, with annual maintenance costs between \$100 thousand and \$300 thousand. Additionally, increased administrative processing related to structured parole hearings may require additional staff, potentially costing \$150 thousand to \$400 thousand annually.

Other costs include training parole board members and staff on the new graduated response framework, which could require \$50 thousand to \$150 thousand for initial implementation and ongoing professional development. HB514's requirements for short-term incarceration of parolees before revocation proceedings may also increase logistical expenses, which could add \$100 thousand to \$300 thousand per year. Based on these factors, the estimated fiscal impact on NMPB in FY26 could range from \$800 thousand to \$2.5 million, with recurring costs in FY27 and beyond between \$350 thousand and \$1 million annually. These estimates are based on comparable state agency expenditures for case management systems, staffing, and operational logistics, though actual costs would depend on implementation decisions and caseload volume.

## **SIGNIFICANT ISSUES**

HB514 introduces statutory changes to the probation and parole system by establishing a structured, graduated response framework for technical violations. The legislation sets fixed periods of incarceration for repeated violations and requires that all available sanctions be exhausted before a revocation can occur. These provisions standardize how violations are handled but may also reduce discretion for probation and parole officers in tailoring supervision responses to individual circumstances. The bill also provides for the possibility of enhanced sanctions for individuals under supervision for serious violent offenses if there is a demonstrated link between the violation and the underlying offense.

The requirement that NMCD and NMPB coordinate on implementing the graduated response system may necessitate procedural adjustments to ensure consistency in decision-making. Currently, NMPB does not maintain a centralized database for tracking revocation proceedings, which could present challenges in uniformly applying sanctions. Additionally, the statutory definition of "absconding" includes a "willful" component, which could require objective measures to determine intent, potentially increasing reliance on electronic monitoring methods.

The potential for increased short-term incarceration periods for technical violations could have implications for correctional system capacity, particularly in county detention centers that may see higher demand for space. The bill also requires NMCD to present an implementation plan to

the Legislature by January 1, 2026, with full execution of the system by July 1, 2026. Compliance with these deadlines may require coordination between multiple state and local agencies to ensure that procedural and administrative requirements are met.

## **ADMINISTRATIVE IMPLICATIONS**

NMCD states:

The bill mandates the creation, training, and oversight of a new graduated response system, without allocating additional funding. Implementation of new reporting structures and creation of an appeals processes [sic] will increase administrative costs, pulling resources away from core correctional functions, and rehabilitative resources. Currently, existing specialty units which have proved to help offenders achieve success would have to be dismantled and reordered to ensure the one-size-fits all nature of this bill.

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