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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/28/25

SPONSOR Lujan

BILL
NUMBER House Bill 533

SHORT TITLE Solitary Confinement 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 – Facility Modifications	No fiscal impact	\$5,000.0 to \$15,000.0	No fiscal impact	\$5,000.0 to \$15,000.0	Nonrecurring	General Fund
NMCD – Additional Staffing	No fiscal impact	\$1,000.0 to \$2,000	\$1,000.0 to \$2,000	\$2,000.0 to \$4,000	Recurring	General Fund
NMCD – Rehabilitative Programming	No fiscal impact	\$5,000.0 to \$15,000.0	\$5,000.0 to \$15,000.0	\$10,000.0 to \$30,000.0	Recurring	General Fund
NMCD – Reporting and IT System Upgrades	No fiscal impact	\$500.0 to \$1,000.0	\$500.0 to \$1,000.0	\$1,000.0 to \$2,000.0	Recurring	General Fund
Total	No fiscal impact	\$11,500.0 to \$33,000.0	\$6,500.0 to \$18,000.0	\$18,000.0 to \$51,000	Recurring	General Fund
NMCD - Potential Savings (Litigation and Recidivism Reduction)	No fiscal impact	(\$500.0) to (\$2,000.0)	(\$500.0) to (\$2,000.0)	(\$1,000.0) to (\$4,000.0)	Recurring	General Fund
Net Fiscal Impact	No fiscal impact	\$11,000.0 to \$31,000.0	\$6,000.0 to \$16,000.0	\$17,000.0 to \$47,000.0	Recurring	General Fund

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

Sources of Information

LFC Files
 U.S. Department of Justice
 National Institute of Justice
 National Conference of State Legislatures
 National Institute of Corrections
 Vera Institute of Justice

Agency Analysis Received From
 Corrections Department (NMCD)
 Law Offices of the Public Defender (LOPD)

Agency Analysis was Solicited but Not Received From
 Administrative Office of the Courts (AOC)
 Municipal League (ML)
 Council of Governments (COGs)

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

SUMMARY

Synopsis of House Bill 533

House Bill 533 (HB533) amends the Restricted Housing Act, codified in Sections 33-16-1 through 33-16-5 NMSA 1978, to modify statutory provisions governing the use of restricted housing in correctional facilities. The bill expands restrictions on solitary confinement, refines definitions, and establishes additional reporting and oversight requirements.

HB533 revises Section 33-16-2 NMSA 1978 to modify the definition of “restricted housing,” reducing the threshold for solitary confinement from 22 hours per day to 17 hours per day without rehabilitative programming that includes meaningful human contact. The bill introduces a statutory definition of “meaningful human contact,” which encompasses in-person or virtual interactions with family members, peers, counselors, or educators for purposes beyond institutional discipline.

The bill amends Section 33-16-3 NMSA 1978 to extend the prohibition on restricted housing for certain inmate populations. The existing statutory restriction on housing individuals under 18 in solitary confinement is expanded to those under twenty-one, as well as individuals aged fifty-five and older. The bill also clarifies that pregnant and postpartum inmates, as well as individuals identified as lesbian, gay, bisexual, transgender or queer, may not be placed in restricted housing involuntarily or for purposes of protective custody.

HB533 imposes new limits on the duration of restricted housing. Under the proposed amendment to Section 33-16-3 NMSA 1978, no inmate may be placed in restricted housing for more than 15 consecutive days or a cumulative total exceeding 90 days within a 12-month period. If an inmate is held beyond these limits, the warden or jail administrator must document the justification and develop a transition plan to remove the inmate from restricted housing as soon as feasible. In addition, the bill prohibits county jails from placing inmates in restricted housing within the first three days of incarceration unless a suicide screening determines the inmate is at risk of self-harm.

The bill amends Section 33-16-5 NMSA 1978 to enhance reporting and oversight. Correctional facilities will be required to submit quarterly reports on the use of restricted housing, including placement durations, identifying characteristics of affected inmates, and other relevant data. These reports must be provided to the legislature for state-run facilities and to county commissioners for local jails. The Corrections Department (NMCD) must also publish these reports on its website.

Lastly, HB533 includes language prohibiting policies or practices that are functionally equivalent to restricted housing or solitary confinement, regardless of how such measures are labeled within an institution.

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 fiscal impact of HB533 is contingent on how correctional facilities adapt to the proposed restrictions on restricted housing, the expanded inmate classifications covered by the bill, and the administrative requirements associated with new reporting mandates.

NMCD anticipates substantial financial implications if HB533 is enacted. The department notes the bill's redefinition of "restricted housing" may result in the reclassification of a significant number of general population inmates, limiting available housing capacity and potentially requiring emergency inmate transfers, alternative housing arrangements, or facility modifications. These adjustments could incur substantial infrastructure and operational costs. NMCD states that limiting restricted housing to a maximum of 15 consecutive days and 90 cumulative days per year may require new housing strategies, increased staffing, and enhanced rehabilitative programming.

While NMCD did not provide specific cost estimates in its analysis, the fiscal impact of HB533 could include costs related to staffing, housing modifications, rehabilitative programming, and compliance with new reporting requirements. Based on estimates from national studies and correctional budget data, the operational impact of restricting the use of restricted housing may result in additional expenses. Expanding alternative housing arrangements, including dormitory-style housing or mental health units, could require facility modifications at an estimated cost of \$50 thousand to \$100 thousand per bed. Additional staffing to supervise inmates outside restricted housing may result in increased personnel costs, with correctional officer salaries averaging \$50 thousand to \$60 thousand annually, plus benefits. If NMCD requires 20 to 30 additional officers, this could lead to an increase of \$1 million to \$2 million annually.

Rehabilitative programming, including mental health services and vocational training, may also need expansion to comply with the bill's requirement for meaningful human contact. Studies indicate such programming can cost \$5,000 to \$15 thousand per inmate annually, which could translate to an increase of \$5 million to \$15 million annually if at least 1,000 inmates are affected.

The bill also mandates quarterly reporting on restricted housing placements, requiring correctional facilities to track and report detailed inmate data to the Legislature and local governing bodies. NMCD anticipates that compliance with these reporting requirements could strain existing administrative resources. Additional personnel or system upgrades may be necessary to manage data collection, analysis, and publication.

Again, while NMCD did not provide specific cost estimates in its analysis, further research by LFC indicates administrative costs related to quarterly reporting and compliance tracking could require additional staff or IT system upgrades, with costs estimated at between \$500 thousand and \$1 million annually.

While these changes may result in increased costs to the agency, studies also indicate potential long-term savings from reduced litigation related to solitary confinement and lower recidivism rates. If litigation costs are reduced by 10 percent, NMCD could save \$500 thousand to \$2 million annually. However, NMCD suggests that legal challenges related to the bill's provisions may *increase* litigation costs, though the scope of this impact is uncertain.

The Law Offices of the Public Defender (LOPD) reported no fiscal impact associated with HB533.

The full fiscal impact of HB533 will depend on the extent to which correctional facilities must modify housing arrangements, increase staffing, enhance rehabilitative programming, and implement administrative processes for compliance. A detailed cost estimate from affected agencies would be necessary to assess the total financial burden of implementation.

SIGNIFICANT ISSUES

NMCD raised concerns that the bill's revised definition of restricted housing may result in the unintended reclassification of general population inmates as being in restricted housing, as many inmates spend more than 17 hours per day in their cells. The department suggests this could effectively reduce housing availability and require the transfer or reassignment of inmates.

The department also notes that restricted housing is often used for inmates who pose security risks, including those with histories of violence against staff or other inmates. NMCD has expressed concerns that the bill's limitations on restricted housing may impact the ability of facilities to manage such individuals, potentially leading to increased incidents of violence.

Additionally, the reporting requirements imposed by HB533 may create administrative burdens for correctional facilities. The department indicates that tracking and compiling the required data may require additional staffing or technological resources.

ADMINISTRATIVE IMPLICATIONS

HB533's administrative impact will primarily affect NMCD and county detention facilities because the bill imposes new housing restrictions, reporting requirements, and operational constraints.

Correctional staff may require additional training to comply with the revised restrictions on solitary confinement and to implement rehabilitative programming that satisfies the bill's requirement for "meaningful human contact." NMCD also notes that limiting restricted housing to 15 consecutive days and 90 cumulative days per year may require increased staffing levels to monitor and manage inmates previously housed under long-term restricted housing conditions.

For county jails, the prohibition on restricted housing within the first three days of incarceration may require modifications to intake and classification procedures. However, without input from counties and municipalities, these impacts are not assessed for this analysis.

TECHNICAL ISSUES

NMCD raised concerns about the bill's definition of "restricted housing" and "meaningful human contact," noting that the language may lead to operational and legal uncertainties. Specifically, NMCD indicates the revised definition could result in the unintended reclassification of general population inmates as being in restricted housing based on time spent in their cells.

OTHER SUBSTANTIVE ISSUES

The bill's prohibition on placing individuals under 21 or over 55 in restricted housing, as well as its limitations on restricted housing for certain vulnerable populations, may require facilities to implement alternative housing and management strategies. The operational feasibility of these alternatives has not been fully assessed.

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