

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/27/25 *Check all that apply:*
Bill Number: HB 9 Original Correction
 Amendment Substitute

Sponsor: Chandler **Agency Name and Code** Chaves, Rubio, Romero, Anaya, 995 NMC
Short Title: Immigrant Safety Act **Number:** _____
Title: _____ **Person Writing** Hannah Kase Woods
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total Otero County	(\$14,000)	(\$500,000)	(\$500,000)			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

HB009, the Immigrant Safety Act, prohibits local governments from entering into direct agreements with the U.S. Department of Immigration and Custom Enforcement (ICE) for housing migrants under federal immigration violations and terminates existing agreements. Currently, 3 NM Counties (Torrance County, Cibola County and Otero County) have such agreements and correctional facilities that would be affected by this bill. This bill analysis aims at outlining the economic ramifications of this bill, specifically for Torrance County.

BILL SUMMARY

Synopsis: HB009, the Immigrant Safety Act, prohibits local governments from entering into direct agreements with the U.S. Department of Immigration and Custom Enforcement (ICE) for housing migrants under federal immigration violations and terminates existing agreements.

FISCAL IMPLICATIONS

Cibola County

Cibola County would lose

- 300 jobs paying \$42,000-\$65,000/year totaling \$10.8 million annually
- \$180,000 tax revenue
- Contract with CoreCivic

,-\$

/year Torrance County

These fiscal implications are related directly to the Torrance County Detention Facility (TCDF) and the fiscal impact on Torrance County. These calculations assume a closure of the facility as a result of HB009, as the current Intergovernmental Service Agreement (IGSA) with ICE makes up approximately 80% of the operating revenue for TCDF.

If HB009 results in the closure of TCDF, there will be significant financial implications for Torrance County and the incorporated municipalities within the County, as TCDF is the only detention facility in the County. In 2020, TCDF temporarily closed, providing a case study for cost increases because of the closure.

In 2020, the closure of TCDF resulted in the following loss of revenue for Torrance County.

- (\$421,888) – loss of property tax revenue; and
- (\$100,000) – loss of administrative fee revenue for administering the ISGA.
- o Total Revenue Loss = (\$521,888)

In addition, the closure required the County to transport Torrance County inmates to another County for detention, which resulted in increased operating costs for inmate detention. The following outlines the increases in operational costs experienced in 2020.

- \$780,000 – one-time costs to support the Sheriff's Office Transport Division (Costs associated with inmate transport to Santa Fe County);
- \$493,000 – recurring annual cost to support additional transport officers, fuel and maintenance costs for transport operations);
- \$2,000,000 – recurring annual cost for contract with Santa Fe County to house Torrance

County inmates.

- o Total Cost Increase Year 1 - \$3,273,000
- o Total Cost Increase Years 2 & 3 - \$2,493,000

The following includes the total financial impact on Torrance County, if HB009 results in the closure of TCDF.

- FY25 - \$3,794,888 (Includes start-up costs)
- FY26 - \$3,014,888
- FY27 - \$3,014,888

Inflationary factors have not been taken into account for these calculations and will likely result in higher cost estimates.

Otero County

Loss of OCPC Rent Revenue

FY25 \$14,000

FY26 Estimated: \$500,000.00

FY27 Estimated: \$500,000.00

Bond

The facility for Otero County Processing Center was funded through a revenue bond in 2007.

Currently, there is \$22,405,000 in Principal and \$4,855,275 in Interest remaining on the Series 2007 OCPC Revenue Bonds. The bond is scheduled to be paid off in 2028.

The proposed legislation causes the revenue bond to default resulting in a significant investment loss for the bondholders.

Typically investing in local government and state bonds is seen as a very safe investment. By passing this legislation the state will be sending a message that deters future investment in the state and Otero County.

Lost Revenue FY28 and beyond

89% of Otero County is public land. Otero County's revenue base is abysmal. After the bond on OCPC is fulfilled Otero County will receive approximately \$6 million dollars in revenue annually. This revenue is vital the welfare and wellbeing of Otero County residents.

Cost of Repurposing the Facility

OCPC was built specifically for immigration processing and immigration court. Repurposing the building will cost several million dollars that the County does not have.

Federal tax dollars will be spent/wasted relocating 4 court rooms with 4 live judges and 1 court room for virtual hearings, 10 Officers for the court area: 8 officers for court security, 2 officers for escorts, 7 ICE attorneys, and 10 ICE attorney offices.

Job loss

OCPC employs approximately 250 individuals and supports numerous service contracts. Closing the facility will have a drastic impact on the local economy.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Torrance County

The closure of TCDF will also negatively impact municipalities within the Torrance County, including Estancia, Moriarty and Mountainair. For example, tax revenue from TCDF makes up approximately 2/3rds of all revenue for the Town of Estancia. A loss of a revenue source of this stature will significantly impact local government operations.

TCDF also currently employs approximately 93 Torrance County residents and is the largest private employer in the central part of Torrance County. Its closure would result in the layoff of approximately 93 county residents.

PERFORMANCE IMPLICATIONS

Torrance County

The closure of TCDF will have negative implications for the operations of law enforcement due to significant transport times following arrests.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB009 sets precedent to limit a local government from contracting directly with the federal government for services.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Torrance County

If the intent of HB009 is to ensure immigrant safety, we do not believe this bill achieves that goal. As two of the three ICE detention facilities in the State are privately owned, these facilities have the ability to contract directly with ICE to house migrant detainees. If this occurs and these facilities do not close, the limitation of local government to be a party to the agreements removes local government's ability to inspect and interject in the case of the detainees and monitor the habitability of the facilities.

If the facilities do close, these migrants will be moved to alternative locations in surrounding states that are more amenable to migrant detention and provide lower levels of attention and assertiveness towards the issue of migrant safety.

In either scenario, the fundamental concerns will not be fully addressed, as migrant detention is a federal issue. However, terminating current agreements within the State will limit oversight or push detainees to other locations in surrounding states, to the economic detriment of local

communities.

ALTERNATIVES

Torrance County

Maintain current agreement structure which allows for County oversight as part of the IGSA.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS