

<b>LFC Requester:</b>	<b>Austin Davidson</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

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**SECTION I: GENERAL INFORMATION**

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

**Date Prepared:** 2.5.25 *Check all that apply:*  
**Bill Number:** HB 191 Original  Correction   
 Amendment  Substitute

**Sponsor:** Nathan P. Small **Agency Name and Code:** New Mexico Department of Homeland Security and Emergency Management- 79500  
**Short Title:** Wildfire Suppression & Preparedness Funds **Person Writing:** Matthew Stackpole  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
TBD	TBD	Nonrecurring	Wildfire Suppression Fund
TBD	TBD	Nonrecurring	Wildfire Preparedness Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0	NA	NA
\$0	\$0	\$0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	TBD	TBD	TBD	TBD	NA	NA

(Parenthesis ( ) Indicate Expenditure Decreases)

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

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis: HB 191 creates two nonreverting funds within the Forest Conservation Act: the Wildfire Suppression Fund and the Wildfire Preparedness Fund. The bill directs the Energy, Minerals, and Natural Resources Department (EMNRD) to administer these funds and oversee the expenditures.

The Wildfire Suppression Fund would be utilized for “wildfire control and suppression” activities, the acquisition and maintenance of wildfire management technology, and the securing of grants and matching funds for emergency wildfire response.

The Wildfire Preparedness Fund would be utilized for preemptive measures, including repositioning firefighting resources, conducting firefighter training, repairing and replacing critical wildfire response equipment, public education initiatives on wildfire risks, and securing grants and matching funds for wildfire emergencies.

HB 191 also establishes new annual reporting requirements for EMNRD. By August 15 of each year, the department must submit a report to the Legislative Finance Committee and “the appropriate legislative interim committee” detailing fund balances, reimbursement summaries, appropriations received, historical and projected wildfire expenditures, anticipated wildfire conditions, and recommended funding levels for both newly established funds.

Additionally, the bill expands the definitions under NMSA 1978, Section 68-2-7 including terms such as “emergency stabilization,” “firefighting personnel,” “firefighting resources,” and “wildfire disaster management.” The definitions are updated to clarify the scope of activities supported by the funds, however, DHSEM has some concerns that some of the newest updates specifically those regarding “emergency stabilization,” “fire suppression damage repair,” “wildfire disaster management,” and “wildfire mitigation project,” could lead to a possible duplication of benefits scenario.

The bill is scheduled to take effect on July 1, 2025.

#### **FISCAL IMPLICATIONS**

HB 191 does not provide a direct appropriation but establishes a statutory framework for funding. The fiscal impact of HB 191 will depend on subsequent legislative appropriations and external funding sources such as grants, reimbursements, and investment income.

While the bill provides a mechanism for funding wildfire response and preparedness, there may be concerns about administrative overhead costs for EMNRD in overseeing these funds. The department would likely require additional personnel or system enhancements to manage fund allocations and track expenditures.

Another potential fiscal issue is the possibility of duplication of benefits (DOB) in federal disaster recovery efforts. The newly introduced definition of “emergency stabilization” in concert with, “wildfire disaster management,” and “wildfire mitigation project,” includes post-fire erosion control and mitigation measures, which are often eligible for FEMA reimbursement under Hazard Mitigation Grant Program (HMGP) or Public Assistance (PA) Category B emergency protective measures. DHSEM is the state agency responsible for FEMA coordination and disaster grants, and the lack of clarity in HB 191 on funding responsibilities for post-wildfire stabilization could create conflicts. Without explicit funding delineation, there is a risk that state funds from EMNRD’s new wildfire funds could overlap with federal assistance, potentially leading to noncompliance with FEMA’s duplication of benefits regulations.

## **SIGNIFICANT ISSUES**

One of the most significant policy concerns raised by House Bill 191 is the potential overlap between EMNRD’s new responsibilities and DHSEM’s existing role in disaster response and recovery, particularly regarding the use of federal funding sources. DHSEM serves as the primary liaison for FEMA disaster relief, and the definition of “emergency stabilization” in HB 191 could unintentionally create duplicative funding mechanisms that may jeopardize federal reimbursements for wildfire recovery projects. If EMNRD independently allocates state funding for emergency stabilization activities, such as post-fire erosion control, seeding, and the installation of runoff control structures, there is a risk that the state may expend resources on activities that would otherwise qualify for FEMA assistance. This could result in noncompliance with FEMA’s duplication of benefits regulations and lead to unnecessary expenditures of state funds.

To ensure that state and federal resources are used strategically and in compliance with FEMA funding rules, House Bill 191 should include language requiring consultation between EMNRD and DHSEM prior to the formulation of wildfire stabilization projects. By requiring such coordination, state agencies can better align funding sources and ensure that projects are first evaluated for eligibility under federal disaster assistance programs. This would allow the newly created wildfire funds to serve as match funding for federal cost-share requirements whenever possible. In cases where FEMA or other federal programs do not approve a project or portions of a project for funding, the costs could then be covered through HB 191’s funding mechanisms. This approach would allow the state to maximize federal reimbursement opportunities while preserving state resources for instances where federal support is unavailable.

Additionally, the bill does not explicitly state whether local governments, tribal entities, or regional fire agencies are eligible to receive direct funding from the Wildfire Suppression Fund and the Wildfire Preparedness Fund. Because these entities are often the primary recipients of FEMA hazard mitigation and recovery funding, it is important to clarify their eligibility for state assistance under HB 191. Ensuring that these funds are structured to complement existing local, state, and federal programs, rather than creating administrative conflicts or redundancies, would strengthen their effectiveness.

Absent these clarifications, there is a risk that the funding mechanisms established by HB 191 could lead to inefficiencies in disaster recovery operations and create unintended administrative or financial burdens. By incorporating a formalized consultation process between EMNRD and DHSEM and prioritizing federal funding opportunities before relying on state-only dollars, the state will be better positioned to maximize available resources, enhance interagency coordination, and reduce the risk of redundant funding allocations.

## **PERFORMANCE IMPLICATIONS**

If properly implemented, HB 191 could improve the State's ability to respond to and mitigate wildfires by ensuring dedicated, pre-allocated funds are available for emergency situations. By requiring annual reporting on wildfire spending and anticipated risks, the bill also establishes a framework for legislative oversight and data-driven funding decisions.

However, the risk of duplication of benefits with FEMA-funded programs must be addressed to ensure that state funds are strategically allocated without reducing eligibility for federal assistance. If clarifications are not made, state agencies may face compliance challenges that could delay reimbursement requests and increase administrative burdens.

## **ADMINISTRATIVE IMPLICATIONS**

DHSEM will need to coordinate with EMNRD to ensure that emergency stabilization efforts do not interfere with FEMA-reimbursable projects. This may require interagency agreements or guidance documents to prevent unintentional duplication of funding.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

NA

## **TECHNICAL ISSUES**

NA

## **OTHER SUBSTANTIVE ISSUES**

NA

## **ALTERNATIVES**

NA

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If HB 191 is enacted without amendments to clarify the relationship between EMNRD and DHSEM on post-wildfire stabilization, there is a risk that the state may inadvertently create a duplicative funding mechanism that conflicts with FEMA reimbursement requirements.

## **AMENDMENTS**