

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

February 3, 2025

Bill: SB-137

Sponsor: Senator Michael Padilla

Short Title: Rename Enhanced 911 Act

Description: This bill increases the existing 911 emergency surcharge from \$0.51 to \$1.50 per line per month. In addition, the bill changes the names of the 911 Act, the 911 Bond Act, and the Enhanced 911 Fund. The bill also amends Section 63-9D-8 NMSA 1978 to provide that primary or secondary public safety answering points may also receive payments from the fund and that payments from the fund may be used for costs of providing 911 emergency services, including next generation 911 equipment and infrastructure. .

Effective Date: July 1, 2025

Taxation and Revenue Department Analyst: Pedro Clavijo

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
--	\$13,100	\$13,400	\$13,600	\$13,900	R	Section 5: 911 Emergency Service Fund

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: [Section 5:] The Taxation and Revenue Department (Tax & Rev) used data on current distributions to the Enhanced 911 Fund to calculate the revenue gain from the proposed increase in the surcharge from \$0.51 to \$1.50 per line per month. The historical growth rate of these distributions was employed to grow the fiscal impact.

Policy Issues: [Section 5:] The bill enhances statewide emergency communications capabilities by increasing the 911 emergency surcharge, which has not been updated for inflation since 1989. Compared to states with similar populations like Utah and Nevada, New Mexico currently charges a lower fee for emergency communications, although the proposal would place New Mexico above these states.¹ Adopting new technologies for emergency communications requires significant investments in infrastructure updates and changes in maintenance and operation.

Modernizing emergency communication networks may revolve shortcomings such as poor reachability, inadequate coverage in rural areas, lack of security features, inefficiency in the service, and, as a result, less ability to promptly deploy services to an emergency incident.

Technical Issues: None.

Other Issues: None.

Administrative & Compliance Impact: Tax and Rev will update forms, instructions and publications and make information system changes.

¹ <https://www.fcc.gov/sites/default/files/15th-annual-911-fee-report-2023.pdf>, Nevada currently has fees between \$0.75 -\$1.00; Utah is at \$0.96.

Tax & Rev’s Administrative Services Division (ASD) will define and test the changes to the revenue report and to the distribution to the renamed fund. It is anticipated this work will take approximately 40 hours split between 2 FTE of a pay band 70 and a pay band 80 and cost \$2,500 in staff workload.

Tax & Rev’s Information Technology Division (ITD) will implement the changes, taking approximately 500 hours or about 3 months at a cost of \$115,000 in contractual costs.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
\$2.5	--	--	\$2.5	NR	Tax & Rev – ASD Staff workload
\$115	--	--	\$115	NR	Tax & Rev – ITD Contractual costs

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).