

LFC Requester:	
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**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}

Check all that apply:
Original ___ **Amendment** x
Correction ___ **Substitute** ___

Date 2/17/2025

Bill Number: SENATE BILL 137

Sponsor: Sen. Padilla
Short Title: RENAME ENHANCED 911 ACT

Agency Name and Code DFA-341
Number:

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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		
	12,874	12,874	Recurring	E-911

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		643	643	1,286	Recurring	E-911

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB67
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

Amendments in Context:

- House Tax, Business and Transportation Committee amendment to Senate Bill 137 reduces the surcharge amount from \$1.50 to \$1.00 total; this increases the current surcharge from \$.51 to \$1.00 total.

ORIGINAL BILL SUMMARY

Synopsis: Senate Bill 137 (SB 137) revises and updates New Mexico’s 911 emergency system by renaming statutes, increasing the 911 surcharge, expanding funding uses, and aligning the system with Next Generation 911 (NG911) capabilities. The bill removes outdated references to Enhanced 911 (E911) and incorporates NextGen911 standards, ensuring text, video, and data communication capabilities.

Key changes include:

- Renaming the **Enhanced 911 Act** as the **911 Act**.
- Changing **Enhanced 911 Fund** to **911 Emergency Service Fund**.
- Updating definitions to reflect NG911, including text, video, and data-based emergency communication.
- Increasing the **911 surcharge** from **\$0.51 to \$1.50 per access line**.
- Updating definitions for 911 equipment, 911 surcharge, 911 system, emergency services internet protocol network, secondary public safety answering point, and voice-over-internet protocol service to align with NextGen911 standards and updating Section D on fund disbursement:

The effective date of the provisions of this act is July 1, 2025.

FISCAL IMPLICATIONS

Revenue projections are based on a 3-year average of surcharge revenue per DFA financial statements. A surcharge increase is necessary as expenditures have exceeded revenues in recent years. Fund balance as of June 30, 2024, was \$6,896,124 but expected to drop below \$2 million by the end of FY25.

- FY24 surcharge revenue: \$13,383,785

The increase will provide more funding for local entities to enhance their 911 systems to better serve New Mexicans through upgrades like text-to-911, Next Generation 911 software applications, cybersecurity protections, Computer-Aided Dispatch (CAD), and GIS addressing improvements for accurate location-based call routing, among others.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

Increasing the 911 surcharge would allow the DFA LGD to better support the statewide implementation of NG911 and expand the reimbursable cost categories within 10.6.2.11.E. NMAC to better align with NG911 technology and the FCC's description of eligible use of 911 fees. The surcharge increase would ensure sustainable funding for all PSAPs, regardless of size or location, to close gaps in emergency response service areas across urban, rural, and tribal communities. This funding will allow for a modernized 911 system that will increase situational awareness of first responders and provide for a faster, more accurate public safety response.

ADMINISTRATIVE IMPLICATIONS

DFA Local Government Division (LGD) will continue to oversee funding distribution and continue to ensure compliance. The E-911 Bureau is funded through the E-911 fund and may use of up to 5% of the fund for administrative purposes. The Bureau's administrative budget is maxed out and the full 5% was utilized in FY23. The Bureau currently has 1 unfunded vacant position. The E-911 Bureau does not anticipate the need for the full 5% with the increased surcharge but would likely create 1-2 new positions to oversee additional funding and capital projects.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB67 conflicts with the definition of "911 call" to "911 service communication." If enacted, SB67 could cause a cascading of funding distribution to local entities.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The DFA contracted with Motorola in July 2023 to implement a statewide Emergency Services IP Network (ESInet) and Next Generation Core Services (NGCS) and the Go-Live date on the new NG911 system is tentatively scheduled for April 2025. The legacy Enhanced 911 system will be terminated by December 2025. The non-recurring costs for this implementation are being funded with E-911 fund balance.

Next Generation 911 (NG911) is an internet based (broadband enabled) system that is capable of receiving data such as photos and streaming video in addition to voice calls. NG911 systems integrate state-of-the-art network design to facilitate interoperability through 911 call transfers and policy routing plans. NG911 uses location technology for call routing and emergency response which reduces misrouted calls and provides a more precise caller location. Overall, a NG911

system will vastly increase the resilience and reliability of the 911 system.

More integration and interoperability are needed to improve the effectiveness of the State's new NG911 system. A fee increase would expand the scope of the 911 fund and enables end-to-end funding for public safety communications.

The Next Generation 911 Cost Estimate, A Report to Congress in October 2018, estimated the cost to deploy NG911 nationwide to be between \$9.5 - \$12.7 billion. Recent funding packages for NG911 introduced in Congress have not been successful.

2024 FCC Fee Report

The existing New Mexico 911 surcharge was set in 1989 to \$0.51, where it now sits among the lowest in the nation. The FCC report notes that NM's current funding scope is narrower than in other states, limiting how surcharge funds can be used. Without additional funding, NM risks being unable to sustain NG911 implementation and operational improvements.

- Amount of 911 surcharge revenue collected annually per capita
 - **NM: \$6.11**
 - **Average: \$11.91**
- Annual per capita expenditures to provide 911 service
 - **NM: \$5.11**
 - **Average: \$30.14**
- 49 / 53 states and territories reported obligating or expending collected 911 funds on CAD. *NM is 1 of 4 states/territories that does not fund CAD.

ALTERNATIVES

Rather than increase the surcharge, the Legislature could provide \$14 million in recurring funding to DFA's Local Government Division for distribution to local entities. The Legislature could also fund another FTEs at the E-911 Bureau through general fund, rather the positions being funded through the administrative fee that the bureau can tap from the surcharge. This recurring appropriation will need to be adjusted for inflation over time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL AMENDMENTS

Not enacting the proposed bill to increase the 911 surcharge in New Mexico will have significant consequences in both the current 911 environment and the forthcoming Next Generation 911 (NG911) system. Not passing this legislation will put New Mexico further behind in providing modern 911 services to New Mexicans.

Not enacting the bill would:

- **Financial Strain on Local Governments:**
 - When NM911 cannot fund a local 911 expense, local governments must either cover the cost themselves or discontinue the service if local funding is unavailable. This financial burden may force local governments to divert funds

from other critical services.

- **Unequal Service Quality:**
 - NG911 introduces capabilities like texting 911. Without adequate funding, adoption of these services would depend on local resources, leading to disparities where wealthier areas receive better 911 services.
- **Oversight and Standardization:**
 - NG911 systems require higher standards and greater interconnectivity. Lack of oversight over locally funded components could hinder interoperability and NM911's ability to ensure the system functions properly.
- **Increased Cybersecurity Needs:**
 - As an IP-based system, NG911 requires cybersecurity measures such as active monitoring. Without additional funding, the system remains vulnerable to cyber threats.
- **Heightened Compliance Challenges:**
 - Higher standards in the NG911 environment make it more difficult for local governments to meet 911 standards independently, and NM911's inability to assist exacerbates this issue.

Additional Considerations:

- **High Call Volume vs. Low Funding:**
 - New Mexico has one of the highest per capita rates of 911 calls in the nation, yet its surcharge rate is among the lowest. This imbalance hinders NM911's ability to fulfill the mandates of the Enhanced 911 Act.
- **Impact on Public Safety Telecommunicators (PSTs):**
 - NG911 will require PSTs to manage more complex communications, including video and data, necessitating specialized training. While the current surcharge covers some training expenses, it is insufficient for comprehensive preparedness.

In summary, failing to enact this bill will impede the state's ability to effectively implement and maintain NG911 services, leading to financial strain on local governments, operational inefficiencies, unequal access to emergency services, and challenges in personnel training and retention

Sources:

- ¹ Ending 9-1-1 Fee Diversion Now Strike Force: Report and Recommendations (submitted to US Congress in 2021).
- ² Fifteenth Annual Report to Congress on State Collection and Distribution of 911 & Enhanced 911 Fees and Charges (2023). <https://www.fcc.gov/sites/default/files/15th-annual-911-fee-report-2023.pdf>
- ³ NM911 Bureau PSAP survey results (2023, 2024)
- ⁴ NM911 Bureau documentation related to grants, payments, and other budget-related information
- ⁵ Cost information obtained from DoIT Public Safety and Communications