

LFC Requester:	Ismael Torres
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: February 4, 2025

Check all that apply:

Bill Number: Senate Bill 227

Original X Correction
 Amendment Substitute

Sponsor: Senator George K. Muñoz

Agency Name and Code Number: 305 – New Mexico Department of Justice

Short Title: Funds In State Reserve

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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						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

None identified at this time.

Duplicates/Relates to Appropriation in the General Appropriation Act

None identified at this time.

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

Senate Bill (SB) 227 provides that state reserves shall consist of the appropriation contingency fund, the general fund operating reserve, the government results and opportunity expendable trust, the state-support reserve fund, and the tax stabilization reserve.

FISCAL IMPLICATIONS

N/A

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

The bill provides that state reserves shall consist of the appropriation contingency fund, the general fund operating reserve, the government results and opportunity expendable trust, the state-support reserve fund, and the tax stabilization reserve. However, NMSA 1978, Section 6-4-27(C) also provides a definition of state reserves, stating in part, “.... C. As used in this section.... (2) “state reserves” means the general fund balances, as determined by the department of finance and administration, including all authorized revenues and transfers to the general fund and balances in the appropriation contingency fund, the general fund operating reserve, the state-support reserve fund and the tax stabilization reserve.” Because NMSA 1978, Section 6-4-27 provides a definition of the term as general funds as determined by the New Mexico Department of Finance and Administration (DFA), and Senate Bill 227 provides for what the state reserves consist of, the two provisions may be interpreted in a manner inconsistent with each other.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A