

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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*(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:** February 18, 2025 *Check all that apply:*  
**Bill Number:** SB419 Original  Correction   
 Amendment  Substitute

**Sponsor:** Leo Jaramillo **Agency Name and Code Number:** Aging and Long-Term Services Department – 6400  
**Short Title:** "Protecting Vulnerable Adults from Financial Exploitation" **Person Writing:** Corey Roybal  
**Title:** from Financial Exploitation **Phone:** 505-629-9347 **Email:** Corey.roybal@altsd.n

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI	NFI	NFI

(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
<b>Total</b>						

(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:

Senate Bill (SB419), amends Section 58-13D-5 NMSA 1978 to enhance protections for vulnerable adults from financial exploitation. SB419 proposes to expand the authority of broker-dealers and investment advisers to delay disbursements or transactions when financial exploitation is suspected—thereby creating a “temporary hold” on those disbursements or transactions. Additionally, SB419 provides the Adult Protective Services (APS) division of the Aging and Long-Term Services Department (ALTSD) with the authority to request a status report on the internal review conducted by a broker-dealer or investment adviser of the suspected financial exploitation. Additionally, SB419 increases the duration of temporary holds and provides conditions under which they can be extended. Further, SB419 also expands the authority to terminate temporary holds to “a state regulator or agency of competent jurisdiction.”

#### **FISCAL IMPLICATIONS**

No fiscal implications identified for ALTSD/APS

#### **SIGNIFICANT ISSUES**

SB419 significantly enhances the role of APS in protecting vulnerable adults from financial exploitation by fostering stronger collaboration with financial institutions and the Regulation and Licensing Department (RLD). The bill requires the broker-dealer or investment adviser to provide a status report on the internal review of the suspected financial exploitation, upon request by APS. This status report may be used by APS by providing additional information needed to protect the vulnerable adult and possibly preventing financial losses before they occur. The bill aligns directly with APS’s mission to prevent abuse, neglect, and exploitation, reinforcing the agency’s authority in safeguarding at-risk adults. By broadening the scope of financial exploitation cases that can justify a disbursement delay, SB419 strengthens consumer protections and ensures that broker-dealers and investment advisers have the necessary flexibility to prevent fraudulent transactions. Additionally, the bill extends temporary hold periods under specific conditions, granting regulators more time to thoroughly investigate suspicious activity and take appropriate action. In FY24 APS received 2,388 referrals from banking institutes for financial exploitation and in FY25 APS has received 1,483 referrals from banking institutes for financial exploitation.

<b>Year</b>	<b>Category</b>	<b>Count</b>
FY24	Banks	2388
FY25*	Banks	1483

\*YTD: 02/02/2025

By enhancing coordination between financial institutions and state agencies, SB419 creates a more effective framework for detecting and addressing financial exploitation, ultimately providing stronger protections for vulnerable adults across New Mexico.

## **PERFORMANCE IMPLICATIONS**

The implementation of SB419 has the potential to significantly improve the financial safety of vulnerable adults by providing financial institutions with more time to intervene in suspected cases of exploitation. This added time allows institutions to conduct thorough reviews before disbursing funds, helping to prevent financial losses. However, this increased responsibility may necessitate additional training for financial professionals to ensure they are equipped to properly identify and report suspected exploitation cases to APS and regulatory agencies. By allowing APS to intervene earlier in financial exploitation cases, the bill enhances APS's ability to coordinate with law enforcement and regulatory agencies, streamlining the investigation process and promoting more efficient protective actions.

Despite these improvements, the bill may also lead to potential investigative delays if APS does not receive adequate resources, bank account information from financial institutions, or the status report on the internal review of the requested disbursement or transaction, in a timely manner. If financial institutions fail to provide the necessary documentation, investigation times could increase, which in turn could delay the APS director's ability to extend the delay of disbursement or APS investigative staff ability to intervene before the delay is reversed.

## **ADMINISTRATIVE IMPLICATIONS**

The implementation of SB419 may require significant administrative updates across multiple financial institutions to ensure compliance with the bill's provisions. Financial institutions will need to revise their policies, procedures, and training programs to align with the expanded authority to delay disbursements and transactions in cases of suspected financial exploitation.

The bill introduces new reporting and record-keeping obligations, monitoring compliance, and facilitating inter-agency communication. Since the bill requires time-sensitive reviews of delayed disbursements, APS will need to increase coordination with financial institutions, leading to more frequent interactions between APS investigators, broker-dealers, and investment advisers.

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

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

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

It leaves vulnerable adults at greater risk of financial exploitation, as APS may struggle to intervene in suspected fraud cases before funds are lost. Without the ability to delay disbursements or transactions, financial institutions may process fraudulent withdrawals before a case of exploitation can be confirmed, leaving victims with little recourse after their assets have been

depleted. This could lead to severe financial consequences for exploited individuals, many of whom may be forced to rely on public assistance programs to cover basic living expenses. Additionally, financial institutions may be less likely to act without clear legal authority to delay transactions.

## **AMENDMENTS**