

LFC Requester:

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}

Date Prepared:

2/21/2025 _____

Check all that apply:

Bill Number: SB432 _____

Original

Correction

Amendment

Substitute

Sponsor: Steve D. Lanier
Pat Woods _____

**Agency Name
and Code**

Number: AOC 21800 _____

Person Writing

Short Title: Behavioral Health Grant
Program & Fund _____

Analysis: [Kelly Bradford](#)/Stacey Boone _____

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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:
Senate Bills 1, 2, 3 and 378; House Bill 417 and 460

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

The bill proposes to create a behavioral health grant program to support existing and new community based programs and services for prevention, treatment and screening and behavioral health issues. The bill proposes a behavioral health grant program fund, funded by the liquor excise tax and the cannabis excise tax distributed by the department of finance authority.

FISCAL IMPLICATIONS

Senate Bill 432 amends the distribution of liquor excise tax revenue. The percentage of revenue disbursed to the drug court fund remains 5%. 45% of the liquor excise tax revenue remains appropriated to the local DWI grant fund. However, 2% of liquor excise tax revenue (approximately \$1M), is appropriated to the behavioral health grant fund. An additional 2% of liquor excise tax revenue would be appropriated to the health care authority to increase Medicaid reimbursement for new or existing programs or services for the prevention, treatment, and screening of behavioral health issues. Senate Bill 432 makes no mention of disbursement of the remaining 46% of liquor excise tax revenue, currently, all other revenue is reverted to the general fund.

SIGNIFICANT ISSUES

1. Conflict with Senate Bills 1, 2 &3

SB 432 conflicts with the process outlined in SB 3 for communities to convene and collaborate on behavioral health best practices and community priorities. SB 3 proposes to utilize the Sequential Intercept Mapping to bring together the behavioral health stakeholders. Sequential Intercept Model (SIM) details how individuals with mental and substance use disorders come into contact with and move through the criminal justice system. The SIM helps communities identify resources and gaps in services at each intercept and develop strategic action plans, according to the Substance Abuse and Mental Health Services Administration (SAMHSA). SB 3 requires communities to participate in that regional mapping to identify priority needs and projects. Those priorities would then be eligible for funding as allocated in SB 2.

SB 432 potentially conflicts with the proposed behavioral health trust fund as described in SB 1.

2. Conflict with HB417

SB 432 conflicts with HB 417 (duplicate of SB431) which proposes a change in the

distribution of the LET fund in which the local DWI grant would increase from 45% (approximately \$22,000,000) to 94% (approximately \$46,000,000). The distribution to the drug court fund would increase from 5% (approximately \$2,500,000) to 6% (approximately \$3,000,000). This would eliminate the 50% distribution to the General Fund.

3. Conflict with HB 460

SB 432 conflicts with HB 460 which repeals the Liquor Excise Tax Act and the Local DWI Grant Program Act, eliminating distributions of the LET fund.

4. Conflict with SB 378

SB 432 conflicts with SB 378 which seeks to increase the tax rate on spirituous liquors, beer, wine, fortified wine, and cider. If passed, the revenue associated with the distribution percentages presented in this analysis can be expected to increase.

5. “interagency behavioral health purchasing collaborative”

Section 1. B, item (4) references the statewide master plan developed by the interagency behavioral health purchasing collaborative. According to the yes.nm.gov the collaborative has not held a meeting since November 2023 and no meetings are currently scheduled. It is unclear if the statewide master plan has been implemented, updated or reviewed in the time since the last meeting.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 3: See Significant Issues above

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS