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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 20

SHORT TITLE: Native American Designation on Licenses

SPONSOR: Reps. Abeyta, Martinez A, Hall, and Hernandez, JF/Sen. Charley

LAST UPDATE: _____ **ORIGINAL DATE:** 2/2/2026 **ANALYST:** Montano

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
TRD/Information Technology Division (ITD)	No fiscal impact	\$40.0	No fiscal impact	\$40.0	Nonrecurring	Other state funds
TRD/ITD	No fiscal impact	\$11.1	No fiscal impact	\$11.1	Nonrecurring	Other state funds
TRD/Motor Vehicle Division (MVD)	No fiscal impact	\$120.0	No fiscal impact	\$120.0	Nonrecurring	Other state funds
Total	No fiscal impact	\$171.1	No fiscal impact	\$171.1	Nonrecurring	

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Taxation and Revenue Department

Indian Affairs Department

SUMMARY

Synopsis of House Bill 20

House Bill 20 (HB20) amends section 66-5-10 NMSA 1978 to allow members of a federally recognized tribe to request a distinguishing mark on their driver's license that designates the individual as a Native American. The individual would provide an enhanced tribal card, a tribal identification card, certificate of Indian blood, or affidavit of birth from a tribal entity or the U.S. Bureau of Indian Affairs to document eligibility for this designation. HB20 specifies the designation may not identify a particular tribe, nation, or pueblo and may not include additional personal or tribal information beyond the mark itself.

The effective date of this bill is October 1, 2026.

FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) projects the enactment of HB20 to only impact the agency's operating budget and to not influence the revenue generated from driver license application fees. HB20 does not increase the fee paid by individuals requesting this distinguishing mark on their driver's license.

TRD's explanation:

Implementation of this bill will have a low impact on Tax & Rev's Information Technology Division (ITD). The estimated time to develop, test and implement the changes is approximately 160 hours or one month and approximately \$51,073 (\$40,000 contractual resources including gross receipts tax, and staff workload costs of \$11,073). The cost to have MVD's driver license and identification cards redesigned with the manufacturer to allow a Native American indicator on the front of the card and update the barcode on the back of the card is approximately \$120,000.

SIGNIFICANT ISSUES

The Indian Affairs Department reports:

A similar bill in Arizona passed in 2025 and was signed into law effective January 1, 2026. Enrolled members of only the federally recognized tribal nations located in Arizona have the option to have the words "Native American" printed on driver's licenses and identification cards after providing proof of enrollment to the state.

... Entities throughout the state and country should understand that every individual nation, pueblo, and tribe in the county has sole authority to determine their membership. With that authority should be the authority to determine how their tribe issues identification for their members. A tribe's identification system, whether a card, certification of Indian blood, or affidavit of birth, should be sufficient to designate a person who is a member of a federally recognized tribe.

ADMINISTRATIVE IMPLICATIONS

From TRD:

[The Motor Vehicle Division] will provide employee training on acceptable documentation and establish standardized workflows to ensure consistent, uniform processing of requests for a Native American indicator on driver licenses or identification cards across all MVD field offices and issuance channels.

OTHER SUBSTANTIVE ISSUES

IAD notes:

Across the country, the United States Immigration and Customs Enforcement are questioning Native American tribal enrollment status. In some instances, Native Americans have been detained. However, most tribes across the country already have their own tribal forms of identification. HB20 does not require specifying tribal affiliation.

Finally, it is possible that Native American citizens may not realize the potential jurisdictional implications which may arise due to having their state license or identification card state whether they are a member of a federally recognized tribe. Additionally, in some instances, because the distinguishing marker makes it known who is a member of a federally recognized tribe, it may subject the person to potential criminal jurisdiction in various courts for particular instances and/or infractions.

ALTERNATIVES

IAD highlights that nations, pueblos, and tribes could be supported through developing and enhancing their own tribal identification processes.

NM/ct/hg/sgs