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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 196

SHORT TITLE: Penalty for Receiving Stolen Firearm

SPONSOR: Reeb

LAST UPDATE: _____ **ORIGINAL DATE:** 02/06/2026 **ANALYST:** Sanchez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMCD	No fiscal impact	At least \$27.2	At least \$27.2	At least \$54.4	Recurring	General Fund
Total	No fiscal impact	At least \$27.2	At least \$27.2	At least \$54.4	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Administrative Office of the Courts
Administrative Office of the District Attorneys
Law Offices of the Public Defender
New Mexico Sentencing Commission
Corrections Department
Department of Public Safety

SUMMARY

Synopsis of House Bill 196

House Bill 196 (HB196) seeks to amend Section 30-16-11, NMSA 1978, the statute that defines and classifies the offense of receiving stolen property, to increase the criminal penalty when the property involved is a stolen firearm. Under current law, Section 30-16-11, NMSA 1978, establishes a tiered penalty structure for receiving stolen property based primarily on the value of the property received, retained, or disposed of, with offenses ranging from misdemeanors to felonies of varying degrees. HB196 modifies this framework by creating a distinct, more severe penalty classification for stolen property that is a firearm, regardless of the firearm's monetary value.

The bill amends the penalty provisions of Section 30-16-11 to specify that receiving a stolen firearm constitutes a higher-level felony than would otherwise apply under the general value-based thresholds, thereby separating firearms from other categories of personal property for sentencing purposes. The bill does not alter the underlying elements of the offense, including the

requirement that the person knowingly receive, retain, or dispose of stolen property, nor does it change the existing statutory presumptions related to knowledge in certain circumstances. Instead, the measure is narrowly focused on adjusting the degree of the offense and corresponding potential punishment when the stolen item is a firearm, which would increase exposure to incarceration and related criminal justice system consequences for individuals convicted under this provision.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

Incarceration drives costs in the criminal justice system, and any changes in the number of individuals incarcerated or the length of time served that might result from this bill could have moderate and recurring fiscal impacts. HB196 increases the penalty for an existing felony offense by elevating the classification of receiving a stolen firearm under Section 30-16-11, NMSA 1978, which is expected to increase the amount of time some individuals spend incarcerated. Even if the number of prison admissions for this offense remains unchanged, longer sentences would be expected to reduce releases relative to admissions, resulting in a higher average prison population over time and, correspondingly, higher costs to the state.

The Corrections Department (NMCD) reports that the average cost to incarcerate an individual was approximately \$61.5 thousand per inmate per year in FY25; however, due to the high fixed costs of prison facilities and administrative overhead, LFC estimates the marginal cost of each additional incarcerated individual to be approximately \$27.2 thousand per year. To the extent that the bill results in longer incarceration periods for individuals convicted of receiving a stolen firearm, total incarceration costs to the state general fund are expected to increase. However, the magnitude of that increase cannot be reliably estimated without data on sentencing outcomes and case volumes.

The bill may also result in additional costs to other parts of the criminal justice system, including the courts, district attorneys, and the Law Offices of the Public Defender, because higher-degree felony cases generally require more resources and longer case processing times. These potential costs are not included in incarceration-based fiscal estimates and are difficult to quantify, but they could add pressure to existing agency workloads. The bill does not contain an appropriation, and while the revenue impacts associated with higher-level felony convictions are uncertain, they are not expected to offset potential increases in incarceration-related expenditures. Overall, the bill is expected to increase state costs over time if it results in longer incarceration periods for affected individuals.

SIGNIFICANT ISSUES

HB196 raises several policy considerations related to criminal sentencing and accountability that are separate from its fiscal effects. By increasing the penalty for receiving a stolen firearm, the bill places greater emphasis on sentence severity as a response to firearm-related property crime. Research indicates that changes in sentence length generally have a limited influence on deterrence, as the certainty of arrest and conviction tends to play a more significant role in affecting criminal behavior. As a result, the extent to which the increased penalty would affect

the incidence of receiving stolen firearms is uncertain and may depend more on enforcement practices and case resolution rates than on the statutory penalty itself.

HB196 also interacts with broader trends in the criminal justice system related to charging, plea negotiations, and case processing. Elevating the penalty classification for a specific offense could influence prosecutorial discretion and defendant decision-making, potentially affecting plea bargaining dynamics and trial rates. Higher potential penalties may increase the likelihood that defendants contest charges, which could lengthen case timelines and increase demands on courts and counsel, even if the total number of cases remains stable. Additionally, because the bill treats firearms differently from other stolen property regardless of value, it reflects a policy choice to distinguish this category of offense from the existing value-based framework in the statute, which may have implications for how property crimes are classified and sentenced across the criminal code.

Research has also noted that longer periods of incarceration can be associated with diminished reintegration outcomes and may increase the likelihood of future system involvement for some individuals. While these effects are difficult to measure and vary by individual circumstance, they represent considerations for policymakers when evaluating changes to sentencing statutes that affect time served rather than underlying criminal conduct.

OTHER SUBSTANTIVE ISSUES

Because HB196 increases penalties for a subset of receiving stolen property cases based solely on the type of property involved, its practical effect will depend on how often stolen firearms are identified, recovered, and charged under this provision. Law enforcement agencies and prosecutors may differ in their ability to confirm whether a firearm was stolen at the time of receipt, particularly in cases involving incomplete serial number information or delayed theft reporting, which could affect how consistently the statute is applied across jurisdictions.

The bill may also affect how cases are charged relative to other firearm-related offenses. In some circumstances, conduct involving stolen firearms could overlap with other statutes addressing unlawful possession or trafficking of firearms. Although agency analyses did not identify direct statutory conflicts, overlapping charging options could influence case outcomes and lead to variability in how similar conduct is addressed under different provisions of law. These dynamics may affect the comparability of data over time for receiving stolen property offenses, particularly if cases that would previously have been charged under value-based thresholds are instead charged under the firearm-specific provision.

The bill complicates the evaluation of its long-term impacts because existing criminal justice data often lack details on receiving stolen property offenses by item type. Without consistent tracking of firearm convictions, assessing the application of penalties or their effects on sentencing, populations, or recidivism can be challenging. These limits don't affect the bill's legality but may hinder outcome monitoring and analysis with current data.