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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 197

SHORT TITLE: Increase Penalty for Larceny of Firearm

SPONSOR: Reeb

LAST UPDATE: 02/06/2026 **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
Law Offices of the Public Defender
New Mexico Sentencing Commission
Corrections Department
Department of Public Safety

SUMMARY

Synopsis of House Bill 197

House Bill 197 (HB197) seeks to amend Section 30-16-1, NMSA 1978, the larceny statute within the New Mexico Criminal Code, to increase the criminal penalty for stealing a firearm. Under current law, larceny penalties are generally determined by the value of the property stolen, with larceny of property valued at less than \$2,500 classified as a fourth-degree felony when the property is a firearm.

HB197 modifies this framework by reclassifying larceny of a firearm valued at less than \$2,500 from a fourth-degree felony to a third-degree felony. In doing so, the bill departs from the standard value-based gradation used elsewhere in Section 30-16-1 by assigning a higher felony degree solely based on the nature of the stolen property rather than its monetary value. The bill leaves unchanged the existing penalty structure for larceny of firearms valued at \$2,500 or more, which continue to be classified according to the value thresholds set out in Subsections E and F

of Section 30-16-1, NMSA 1978, including classification as a third-degree felony for property valued between \$2,500 and \$20 thousand and as a second-degree felony for property valued over \$20 thousand.

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, so any changes in the number of individuals incarcerated and the length of time served that might result from HB197 could have fiscal implications for the state. The bill increases the felony degree for larceny of a firearm in certain circumstances, which is expected to lengthen incarceration for individuals convicted under the revised penalty structure. Even if the number of individuals sentenced for this offense remains relatively small, longer incarceration periods reduce the number of releases relative to admissions, which can increase the total prison population over time and result in higher correctional costs.

The Corrections Department reports that the average cost to incarcerate an individual in New Mexico's prison system is driven largely by fixed facility and administrative costs, but each additional incarcerated individual also carries a marginal cost to the state. As a result, changes that extend sentence lengths or increase the number of incarcerated individuals may incrementally increase general fund expenditures over time. While available data indicates few recent cases involving larceny of a firearm and no individuals incarcerated for this offense as of the most recent reporting period, the reclassification from a fourth-degree felony to a third-degree felony increases the potential sentence and median length of stay, which may contribute to higher long-term incarceration costs if convictions result in prison admissions.

In addition to correctional impacts, increased felony penalties are commonly associated with changes in system behavior that may affect costs elsewhere in the criminal justice system. Higher penalties may increase the likelihood that defendants proceed to trial rather than resolve cases through plea agreements, which can increase workloads for the courts, district attorneys, and the Law Offices of the Public Defender. These potential costs, including additional judge and staff time, courtroom use, jury-related expenses, and indigent defense services, are more difficult to quantify and are not included in incarceration cost estimates. Overall, while the bill's immediate fiscal impact may be limited, provisions that result in longer incarceration periods are expected to increase costs to the state over time, primarily by increasing prison population levels and length of stay.

SIGNIFICANT ISSUES

HB197 raises several non-fiscal issues related to sentencing structure, proportionality, and consistency within the larceny statute. By increasing the felony degree for larceny of a firearm valued at less than \$2,500 to a third-degree felony, the bill removes the value-based gradation that otherwise applies to larceny offenses under Section 30-16-1, NMSA 1978, and treats firearm theft differently from other categories of property. As a result, theft of a firearm with minimal monetary value would carry the same felony classification as theft of non-firearm property valued between \$2,500 and \$20 thousand, while theft of other property valued under \$2,500

remains a fourth-degree felony. This change may affect how penalties are distributed across offenses within the larceny statute and how similarly situated defendants are treated based on the type of property involved rather than its value.

The bill may also influence charging and plea negotiation practices. Prosecutors would have discretion to charge larceny of a firearm as a higher felony level in cases that previously fell under a fourth-degree felony, which could alter plea-bargaining dynamics and case-resolution timelines. Defendants facing a higher potential sentence may be more likely to contest charges or seek trial rather than resolve cases through negotiated pleas, which could affect court scheduling and case flow independent of fiscal considerations. In addition, because the bill does not modify the elements of larceny, the proof requirements remain unchanged, but the increased penalty heightens the legal consequences of conviction for this offense.

HB197 also interacts with the existing statutory treatment of specific categories of property under the larceny statute, such as livestock, which is subject to a value-independent felony classification. By extending similar treatment to firearms, the bill further differentiates among property types based on characteristics other than market value. Legislators may wish to consider how this approach fits within the broader structure of the Criminal Code and whether it establishes a precedent for treating additional categories of property differently under the larceny framework.

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