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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 61

SHORT TITLE: Rural Libraries

SPONSOR: Sens. Campos, Ramos and Jaramillo/Rep. Zamora

LAST ORIGINAL
UPDATE: _____ **DATE:** 1/28/2026 **ANALYST:** Rodriguez

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$5,000.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill(s) 62 and 99

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Cultural Affairs Department

SUMMARY

Synopsis of Senate Bill 61

Senate Bill 61 (SB61) appropriates \$5 million from the general fund to the Cultural Affairs Department (DCA) for expenditure in fiscal years 2027 and 2028 to support the operation of rural libraries. The bill stipulates that DCA can only spend \$2.5 million per year. Any expended balances at the end of FY28 will revert to the general fund.

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

The appropriation of \$5 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY28 shall revert to the general fund. The agency has FY27 and FY28 to fully expend the funds and is limited to spending \$2.5 million per year.

SIGNIFICANT ISSUES

During the 2025 legislative session, the Legislature appropriated \$2.5 million DCA for grants to rural libraries. The State Librarian has fully expended these funds, awarding approximately \$43.9 thousand to each of 57 libraries. If the number of eligible rural libraries remains unchanged, DCA would be able to provide the same level of grant funding in FY27 and FY28.

DCA notes that some rural libraries have encountered difficulty expending relatively large one-time funds within a single fiscal year.

ADMINISTRATIVE IMPLICATIONS

DCA already administers and awards grant funding to rural libraries through the rural library endowment fund. As such, the agency already has the administrative infrastructure to grant the awards funded by SB61.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB61 relates to Senate Bills 62 and 99, which both appropriate \$29.5 million to the rural libraries endowment fund.

TECHNICAL ISSUES

As noted by DCA, SB61 does not define “rural libraries.” However, statute for the rural libraries endowment program, administered by DCA, defines rural libraries as those that have been established by a political subdivision, by a tribal government, or as a tax-exempt corporation.

DCA suggests defining “rural libraries” by amending Section 1, page 1, line 17 to: “to support the operation of grants to rural libraries as defined in Section 18-18-4 NMSA 1978;”.

DCA also suggests removing language stipulating that the agency can only expend \$2.5 million per year to allow libraries more time to spend funds.

JR/ct/cf/sgs