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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 164

SHORT TITLE: Transfer Ambulance Standards to DOH

SPONSOR: Woods

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/3/2026 **ANALYST:** Hilla

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$100.0	Nonrecurring	General Fund

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DOH	No fiscal impact	No fiscal impact	At least \$1,000.0		Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies That Provided Analysis

Department of Transportation

Agency or Agencies That Were Asked for Analysis but did not Respond

Department of Health

SUMMARY

Synopsis of Senate Bill 164

Senate Bill 164 (SB164) transfers ambulance standards from the Department of Transportation (NMDOT) to the Department of Health (DOH), effective January 1, 2027. The transfer includes responsibility for administering and enforcing the Ambulance Standards Act from NMDOT to DOH, as well as creating an ambulance certification program at DOH.

The certificates DOH is to provide must specify authorized service territory, nature of services provided, and terms of services imposed by DOH. Unless otherwise approved, ambulance

service territories are authorized primarily by county or municipal boundaries. DOH is required to publish notice of ambulance certification applications, and members of the public or interested parties may file objections. If a protest is filed, DOH must hold a public hearing. In the instance of an emergency, DOH may grant temporary authority without notice.

All ambulance services must file and obtain DOH approval of tariffs before operating or billing. Ambulance tariffs must include all rates and charges, terms of service, service territories, and required disclosures. Providers can only charge and impose terms explicitly contained in DOH-approved tariffs. These tariffs must be published online, and DOH shall review tariffs to ensure they are non-predatory, non-discriminatory, and sufficient to support safe and adequate service.

SB164 grants DOH the authority to issue subpoenas, compel testimony and document production, seek court enforcement, and pursue contempt remedies. DOH must provide per diem as is allowed for state employees under the Per Diem and Mileage Act for persons subpoenaed.

The rules and decisions of NMDOT related to motor carrier ambulance standards shall remain in effect until repealed or amended.

The effective date of this bill is January 1, 2027.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand 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. This appropriation is not included in the current version of the General Appropriation Act (House Bill 2).

In a similar fiscal impact report from 2023 transferring the responsibility of motor carrier regulation and enforcement, including ambulance standards, from the Public Regulation Commission to NMDOT, the transportation department estimated an additional \$1 million operating impact for the transfer. The analysis for SB164 assumes a similar impact for DOH, also considering the expansion of the current statutory framework for ambulances. The at least \$1 million impact on DOH is estimated to cover six full-time employees' salaries and benefits and other personnel costs (approximately \$601 thousand), with the rest of the funding to be made for contractual services or other miscellaneous expenses that would be transferred and bound to DOH, such as reviewing approving, publishing and enforcing ambulance tariffs and rate increases. This fiscal impact could be updated with additional agency analysis from DOH and NMDOT. This would also cover the per diem payments for the licensing commission as well as the per diem for witnesses subpoenaed by DOH.

Additionally, the effective date of the SB164 is January 1, 2027, or halfway through FY27. While there is an appropriation tied to the bill, DOH did not request increases to its budget for the expansion of services newly required by the bill for FY27. This analysis assumes that the fiscal impact on the department's operating budget will not be incurred until FY28 as DOH can use the \$100 thousand nonrecurring general fund appropriation to get operations started, but a larger appropriation may be needed to accomplish the transfer midway through a fiscal year without sufficient operating budget accommodations.

SIGNIFICANT ISSUES

As of July 1, 2024, ambulance standards were transferred to NMDOT from the Public Regulation Commission per Laws 2023, Chapter 100. SB164 seeks to transfer these standards to DOH. Since this first transfer, NMDOT notes that the ambulance industry's needs vary greatly from other motor carrier types the department deals with and compel a "variance or exception that undermine standard application of motor carrier statutes and regulations."

DOH's Emergency Medical Systems Bureau is designated as the lead agency for the emergency medical services (EMS) system. This includes injury prevention, regional planning and development, improvement, expansion and direction of emergency medical services in the state. The regulatory framework formerly exercised by NMDOT would not be new functions for DOH. Under the New Mexico Administrative Code 7.27.5, DOH issues air ambulance certificates, with application requirements and required levels of services outlined. The certified air ambulances, which include the name of the entity, date of initial certification, certification number, and expiration date are already posted on the department's website. The expansion of ground ambulances to fall under DOH's EMS umbrella is not anticipated to require significant coordination with NMDOT due to DOH's current work and regulations with other EMS functions.

As NMDOT notes in its analysis, some ambulances, EMS, and emergency response services are under the jurisdiction of both NMDOT and DOH, noting the transfer of ambulance and non-emergency medical transport would streamline regulation of ambulances and other emergency medical services. The transportation department notes that SB164 would allow for more efficient local ambulance administration due to service providers needing to navigate regulations at only one agency. The department adds that DOH is better prepared and more medically knowledgeable to conduct vehicle safety inspections and verify presence of necessary equipment and medical supplies.

Should SB164 pass, DOH may wish to update its rules for the EMS Fund Act (7.27.10 NMAC). The purpose of the fund is to provide allocations to municipalities and counties in proportion to their needs for the establishment and enhancement of local emergency medical services. As stated in 7.27.10.2 (B.) NMAC, the ruling of the EMS fund "does not apply to ambulance services regulated by the transportation of the New Mexico Public Regulation Commission or its successor agency" (NMDOT in 18.3.14 NMAC). NMDOT's administrative code for ambulances falls under the general motor carrier general provisions, making it harder for its ambulances to qualify for DOH's EMS funding. SB164 would no longer treat ambulances as motor carriers as transportation businesses and would be regulated as EMS providers, aligned with air ambulances and other EMS licensure already carried out by DOH.

TECHNICAL ISSUES

NMDOT suggests the following edits:

Page 16, line 14: after "ambulance", add ", including for the purposes of non-emergency medical transport and inter-facility transportation,"

Page 40, lines 15 through 18, strike paragraph B, then renumber.

Page 46, line 19: after "'carrier'", add "as used in this article."

Page 46, line 22: after “commerce”, add “except if such carrier is an ambulance service as regulated by the department of health.”

EH/sgs/dw/sgs