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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 254

SHORT TITLE: Trunked Radio Subscriber Fees

SPONSOR: Block

LAST UPDATE: _____ **ORIGINAL DATE:** 2/5/2026 **ANALYST:** Hilla

APPROPRIATION* (dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
	\$2,800.0	Recurring	General Fund

*Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act
Relates to an appropriation in the Capital Outlay Framework

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
Department of Information Technology

SUMMARY

Synopsis of Senate Bill 254

Senate Bill 254 (SB254) appropriates \$2.8 million from the general fund to the Department of Information Technology (DoIT) for subscriber fees for the digital trunked radio system (DTRS) for municipal, county and tribal public safety agencies that provide emergency services.

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 \$2.8 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund. Although the bill does not specify future appropriations, the General Appropriation Act in prior fiscal years has regularly appropriated funds to DoIT for statewide digital trunked radio system subscriber fees, resulting in this expenditure functioning as recurring in practice. Appropriations made across multiple years—particularly when used to support

essential services that perform effectively—may continue to create the effect of a recurring cost.

In the current version of the General Appropriation Act (GAA) passed by the House Floor, there is a \$2.5 million appropriation to DoIT for this same purpose; however, the appropriation is contingent on the department implementing a local match requirement. This appropriation in the GAA would be made available at the start of FY27.

The current Capital Outlay Framework has \$26 million towards the capital aspects of the digital trunked radio system.

SIGNIFICANT ISSUES

DoIT started its public radio system upgrade project, the digital trunked radio system (DTRS) also called the P25 digital statewide public radio system upgrade project. The P25 project is a capital project that started in 2018 and is anticipated to be complete by June 2030 with a total estimated budget of \$190 million. It will upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.

As of December 2025, there were 78 agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies:

2nd District Attorney's Office	Mesilla Valley Regional Dispatch	United States Marshals Service
3rd District Attorney's Office	New Mexico Corrections Department	University of New Mexico Hospital
Air Methods Medical Transport	New Mexico Department of Health	US BATFE
Albuquerque Ambulance	New Mexico Department of Public Safety	US Bureau of Land Management
Albuquerque Aviation Police	New Mexico Dept. of Info. Technology	US CBP ICE
Albuquerque Public Schools	New Mexico Dept. of Transportation	US Federal Bureau of Investigation
BNSF Railway Police	New Mexico DHSEM	US Forestry
City of Albuquerque	New Mexico EMNRD (State Parks Only)	US National Park Service
City of Anthony	New Mexico Fire Marshal	US TSA
City of Belen	New Mexico Game and Fish	Valencia County Regional Dispatch
City of Chaparral	New Mexico OSI	Village of Bosque Farms
City of Corrales	New Mexico Spaceport	Village of Corrales
City of Cuba	New Mexico State University	Village of Hatch
City of Las Cruces	New Mexico Tax and Revenue	Village of Hatch
City of Moriarty	Presbyterian Health Services	Village of Los Lunas
City of Peralta	Public Service Company of New Mexico	Village of San Ysidro
City of Rio Rancho	Pueblo of Jemez	
City of Santa Fe	Pueblo of Sandia	
City of Sunland Park	Pueblo of Santa Ana	
County of Bernalillo	Pueblo of Santo Domingo	
County of Chaves	Pueblo of Zia	
County of Dona Ana	Regional Emergency Dispatch Authority	
County of Eddy	Rio Communities	
County of Hidalgo	Socorro County Sheriff	
County of Lincoln	Texas Department of Public Safety	
County of Sandoval	Tijeras Fire Department	
County of Santa Fe	Town of Bernalillo	
County of Torrance	Town of Cochiti Lake	
County of Valencia	Town of Mesilla	
Edgewood Police	Town of Mountainair	
Los Lunas Schools	Town of Peralta	

Source:DoIT

The current average revenue from subscriber fees is \$1.9 million a year, and DoIT estimates annual revenue of \$3.24 million per year once the department completes the capital project. The projected annual revenue collection of subscriber revenue does not include state agency

subscriber revenue from state subsidiaries and local entities.

Throughout the 2025 legislative interim, LFC staff reported twice on local government finances. The first report showed that total governmental fund balances aggregated across county governments increased by 140 percent between FY18 and FY24, from \$1.6 billion to \$3.9 billion. County general fund balances increased by 165 percent over the same period. In the average county, about 75 percent of the general fund balance is unassigned, meaning that the average county has flexibility to spend its general fund on purposes it sees fit without set restrictions or obligations.¹ The second report found that county revenues grew by 91 percent between FY18 and FY24 to \$3.1 billion, while expenditures increased by nearly 60 percent to roughly \$2.5 billion. Surplus revenues in FY24 (\$583 million) were 21 times larger than excess revenues in FY18 (\$27 million).² A dashboard of county and municipality fund balances created by LFC staff shows the fiscal health of each county and some larger municipalities.³

Due to the findings from the LFC local government fiscal health evaluation briefs, the LFC recommended \$2.5 million with language requiring DoIT to implement a local match requirement to be on a need-base for local entities that may not have the flexibility to pay for the DTRS subsidies otherwise, which the House Appropriations and Finance Committee adopted and subsequently was passed by the House Floor.

The department notes that the proposed bill language excludes federal agency subscribers, and that non-public-safety divisions of local agencies—such as public works and transportation—may also fall outside the scope of the appropriation. The department further notes that this represents a departure from prior appropriations.

DoIT notes that it requested, and the Executive recommended, a total appropriation of \$5 million for radio subsidies. In the 2024 GAA, DoIT was appropriated \$2.8 million for the radio subsidies and spent \$2.1 million and reverted \$633.1 thousand, or 22.6 percent of the total appropriation (FY25). In the 2025 GAA, DoIT was appropriated \$2 million for DTRS subsidies, of which DoIT has expended over half of the appropriation at the time of analysis (FY26).

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¹ https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/LGFiscalHealthPart1_Final.pdf

² https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/LGFiscalHealthPart2_Finals.pdf

³ <https://app.powerbi.com/view?r=eyJrIjoiODkwYzM4ODgtMTViOC00NmU1LTlmM2ItNTg0MTQ0MmZnNjZmIiwidCI6ImNmN2Y2ZjkyLTU4ZjAtNGYyMS1iOTQ0LTZmMGY4NGI3ZGY4ZSIslmMiOjZ9&pageName=b40a9f78864ba5442cfb>