

LFC Requester:	Eric Chenier
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date January 17, 2024
Bill No: HB 98

Sponsor: Rep. Elizabeth "Liz" Thomson **Agency Name and Code** Developmental Disabilities Council
Short Title: Accounts for Disabled Eligibility **Number:** 647
Person Writing Alice Liu McCoy
Phone: 505-225-4973 **Email** aliceliu.mccoy@ddc.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

The federal Omnibus spending bill expanded the eligibility for ABLE (disability savings) accounts from age 26 to age 46 on January 1, 2026. Proposed by the State Treasurer’s office, this bill purports to align NM law with federal law and allow families to plan financially before the ABLE expansion in 2026.

FISCAL IMPLICATIONS

Expansion of ABLE accounts may decrease the need for publicly funded guardians serving Office of Guardianship clients. Allowing individuals with disabilities to exercise financial independence while protecting Medicaid coverage should keep them out of stated-funded guardianship, which is a last resort for people who require decision-making support and have no other resources.

SIGNIFICANT ISSUES

ABLE accounts enable eligible New Mexicans to save for disability-related expenses by putting money in tax-advantaged investments while protecting their eligibility for means-tested public benefits programs. After-tax contributions allow earnings to grow tax-deferred, and withdrawals, when used for a broad range of qualified disability expenses, are federal and state tax-free. In 2022, President Joe Biden signed the ABLE Age Adjustment Act, raising the age of onset of disability from age 26 to age 46, beginning January 1, 2026. Expanding eligibility for ABLE accounts in New Mexico would ensure that veterans and other individuals who become disabled later in life will have access to these accounts. The State Treasurer believes this expansion will make an additional 6-8 million Americans eligible for ABLE programs nationwide, including 1 million military veterans.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

As the State Treasurer stated in their letter to the Governor, passage of this legislation in the current year will protect families from Medicaid recovery, which is the biggest barrier to using ABLE accounts in New Mexico. The sooner families can plan for the future, the more secure and financially independent people with disabilities will be in this state. Failure to pass this bill in the current year means that many families may be too afraid to set up ABLE accounts this year for their loved ones living with disabilities, potentially missing out on years of important saving and planning for their care and safety.

AMENDMENTS