

| | |
|-----------------------|----------------------|
| LFC Requester: | Dawn Iglesias |
|-----------------------|----------------------|

**AGENCY BILL ANALYSIS
2021 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

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 2/2/2026
Bill No: HB 180

**Agency Name
and Code
Number:** GOV-356

Sponsor: Numerous
USE OF EMERGENCY
FUNDS & DISASTERS

**Person Writing
fsdfs** _____ **Analysis:** Lizdebeth Carrasco-Gallardo

**Short
Title:** _____

Email LIZDEBETH.CARRAS
CO-
Phone: 505-476-2210 :

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|----------------------|---------------|--------------------------------------|--------------------------|
| FY21 | FY22 | | |
| Indeterminate | Indeterminate | Indeterminate | Indeterminate |
| Indeterminate | Indeterminate | Indeterminate | Indeterminate |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|---------------|---------------|---------------------------------|------------------|
| FY21 | FY22 | FY23 | | |
| Indeterminate | Indeterminate | Indeterminate | Indeterminate | Indeterminate |
| Indeterminate | Indeterminate | Indeterminate | Indeterminate | Indeterminate |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY21 | FY22 | FY23 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|---------------|---------------|---------------|----------------------|------------------------------|------------------|
| Total | Indeterminate | Indeterminate | Indeterminate | Indeterminate | Indeterminate | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

HB180 clarifies the use of emergency funding and sets new procedures for authorizing expenditures for both natural and non-natural disasters.

Section 1 creates a general fund operating reserve that may only be expended with specific authorization by the legislature in an amount authorized by the legislature for a specific fiscal year.

Section 2 creates the general fund tax stabilization reserve and directs the state investment officer to invest the money and report quarterly to the legislative finance committee. The bill allows appropriation of the tax stabilization reserve only by a two-thirds majority vote of both houses of the legislature following a declaration by the governor that the appropriation is necessary for public peace, health or safety. The bill allows expenditure by the governor after appropriation by the legislature. HB180 allows transfers of excess revenue in the tax stabilization reserve to the general fund at the end of the fiscal year when the balance meets certain criteria. HB180 would require the agency to project insufficiencies and the legislature to reappropriate the funding to the projected level.

Section 3 creates the appropriation contingency fund in the state treasury, to be disbursed on warrants signed by the secretary of finance and administration (DFA) pursuant to vouchers signed by the governor or authorized representative. HB180 provides direction for non-natural disasters to be declared by executive order (EO) and requires the secretary of DFA to submit by October 1 a biannual report to the legislative finance committee. The report is to include the number and purpose of the EO and statutory authority for the appropriation; county where EO applies; balance of funds appropriated for the EO; project timeline for spending; name and

address of each entity contracted to provide resources and services; and an update on the state of response or recovery.

Section 4 creates the natural disaster revolving fund as a non-reverting fund in the state treasury for the purpose of providing loans to political subdivisions and electric cooperatives that have been approved for funding by the federal emergency management agency (FEMA) for a federally declared natural disaster. Section 9 makes an appropriation of \$50 million from the appropriation contingency fund to the natural disaster revolving fund.

Section 5 creates the executive order for disasters fund with revenue from reimbursed claims from the federal government. The fund can be expended by declaration of the governor of a natural disaster or state of martial law by an EO. Natural disaster is defined to include drought, fire, flood, severe weather or earthquake. The allowable purposes are resources and services necessary to avoid or minimize physical or economic harm, including temporary provision of lodging, shelter, health care, food or transportation for persons affected by a natural disaster. October 1 is the deadline for a biannual report. The report is to include the number and purpose of the EO and statutory authority for the appropriation; county where EO applies; balance of funds appropriated for the EO; project timeline for spending; name and address of each entity contracted to provide resources and services; and an update on the state of response or recovery.

Section 6 is transfers from the general fund if revenues of the general fund exceed the total of appropriations from the general fund. In this case, excess revenue can be transferred to the general fund operating reserves.

Section 7 pertains to expenses for troops called into service of the state.

Section 8 pertains to transfers of the balance of the adjutant general emergency public defense certificates fund.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

HB 180 will jeopardize the State's ability to respond timely and efficiently to emergencies. In the chaotic and tense environment of disaster response and recovery, state government needs to be able to respond to situations responsibly with decisive actions and a focus on both immediate response and long-term recovery. Consistent response and recovery efforts are necessary to ensure continued public health, safety, and welfare. However, there is no way to know how much damage an emergency event will cost in response and recovery efforts. The scope, impact, and duration of an emergency cannot be presupposed or arbitrarily defined in advance of an event.

Section one, for example, creates a general fund operating reserve that may only be expended with specific authorization by the legislature in an amount authorized by the legislature for a specific fiscal year. Section two places a two-thirds majority vote of both houses of the Legislature for any balance of the tax stabilization reserve to be appropriated. This will be incredibly difficult to achieve and will lead to having to call special sessions to get this done. The very nature of emergencies demands this flexibility to rise to the occasion and quickly save citizens. Further, any concerns about unnecessary emergency spending are adequately addressed by the democratic process—if the people do not believe the executive is properly spending

emergency funds, they may take to the ballot box. Thus, any hamstringing of the executive's emergency spending in HB 180 will only jeopardize lives.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The State will continue to respond to emergency situations quickly and efficiently.

AMENDMENTS