

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:
Original **Amendment** _____
Correction _____ **Substitute** _____

Date 1/28/2026
Bill No: HB 180

Sponsor: Rep. Harlan Vincent and Rep.
 Susan Herrera
Short Use of Emergency Funds and
 Disasters

Agency Name and Code EMNRD 521
Number: _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or	Fund Affected
FY26	FY27	FY28		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$500.0 (nonrecurring) \$250.0 (recurring)	\$250.0	\$1,000.0	Recurring and nonrecurring	General

(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

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

If HB180 is enacted the biannual reporting requirements will necessitate revamping of the business finance system that tracks expenditures (e.g. \$500,000 nonrecurring contract) and two additional FTE positions (\$250,000 recurring).

SIGNIFICANT ISSUES

The Energy, Minerals and Natural Resources Department, Forestry Division has statutory authority under NMSA 1978, Section 68-2-8 for wildfire suppression on non-federal, non-municipal and tribal lands encompassing more than 43 million acres in New Mexico. The department accesses funding for wildfire suppression through executive orders pursuant to NMSA 1978, Section 12-11-24. Section 5 of HB180 would have wildfire suppression activities paid from the executive order for disasters fund instead of the appropriations contingency fund. The timing of appropriations from this fund is unclear and could hinder the ability of state wildfire crews to respond rapidly to new fires.

During fire season the division's payroll liabilities can reach \$1 million per pay period to extinguish new wildfires before they grow. The typical number of wildfire starts ranges from 500 to 700 per year, an average of 10-15 wildfires per week. The division maintains readiness of crews and engines whenever fire danger is elevated or hot, dry or windy weather is forecast. The speed at which the legislature will appropriate funding for executive orders for natural disasters is unclear and could be a hindrance to wildfire response.

It is also unclear what other state departments, municipalities, counties, political sub-divisions may require appropriations from the executive order for disasters fund. High demand for funding by multiple state departments, municipalities, counties and other political subdivisions during a natural disaster may inadvertently deplete the funding. This could be compounded when New Mexico experiences a long duration natural disaster event or multiple concurrent events or repeated events. The timing of funding and high demand for funding may hinder the ability of the Forestry Division to respond to multiple wildfires, including wildfire burn scar remediation, to mitigate other cascading natural disasters, such as post wildfire flooding.

Using 2022 as an example, the Forestry division expended \$51 million on wildfire suppression activities with seven wildfires across the state that required complex incident management teams. Other agencies were also drawing on EO funding responding to the cascading impacts of the wildfires. If HB180 is enacted there would be an unwieldy process to appropriate additional funds to meet the needs if the executive order for natural disaster fund is depleted. HB180 is unclear as to the year-round ability of the legislature to appropriate additional funds. If a special session were required, it would add lengthy delays to wildfire response, leading to larger more expensive wildfires, and the cost of the special session itself.

The most expensive month of wildfire suppression is June, and this coincides with the end of the state fiscal year. The division estimates wildfire liabilities in the third and fourth weeks of June. It

is unclear how HB180 would affect the estimation of liabilities and how funds would be appropriated before the fiscal year end close.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

The Forestry division recently created or repurposed 4 FTE positions to expand the capacity for fire finance and reporting on emergency wildfire disaster spending. If HB180 is enacted the biannual reporting requirements will necessitate revamping of the business finance system that tracks expenditures (e.g. \$500,000 nonrecurring contract) and two additional FTE positions (\$250,000 recurring).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Section 5 requires biannual reporting that includes the name and address of each entity contracted to provide resources and services. Some of this information will be duplicative with information that is already required to be posted on the state sunshine portal under emergency procurement. The portal contains links that provide the information listed in Section 5 of HB180.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS