

LFC Requester:	Scott Sanchez
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AGENCY BILL ANALYSIS – 2026 SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: 5 FEB 2026 *Check all that apply:*
Bill Number: HB328 Original X Correction
 Amendment Substitute

Sponsor: Janelle Anyaonu **Agency Name and Code:** 790 – Department of Public Safety
Short Title: State Funds for Concealed ID Law Enforcement **Person Writing:** Major Emmanuel T. Gutierrez
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
NFI	NFI	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NFI	NFI	NFI	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: 2026 SB303
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

HB-328 prohibits the use of state public safety funds by the New Mexico Department of Public Safety (DPS) and local governments receiving such funds to support or participate in joint operations with federal law enforcement officers or agents who hide their identities while exercising law enforcement powers. The bill contains limited exceptions for approved undercover operations, SWAT activities, and explosive disposal work. HB-328 also creates civil liability for knowingly using state funds in violation of these provisions, including treble damages, civil penalties, costs, and attorney fees, and specifically provides that proof of intent to defraud is not necessary. It also establishes a qui tam right of action allowing private individuals, the state, or political subdivisions to file civil suits on behalf of the state.

FISCAL IMPLICATIONS

This bill could affect DPS' budget in several ways. DPS may need to allocate time and funds for updating policies, training officers, and carefully monitoring the use of state funds to ensure that they are not used to fund prohibited joint operations with federal officers. Additionally, if DPS or its employees violate these provisions, they could face lawsuits resulting in hefty penalties, damages, and legal costs, even without intentional misconduct. The bill might also require DPS to allocate more state resources to operations previously shared financially with federal partners.

SIGNIFICANT ISSUES

HB-328 creates significant operational uncertainty for DPS, particularly with respect to determining how and when a federal partner is deemed to be "concealing their identity," a determination that can be difficult to make in fast-paced or mixed-agency operations. Additionally, a determination could have been made before the operation began, and the circumstances may evolve as the operation progresses. This ambiguity increases the risk of accidental noncompliance and could have a chilling effect on DPS participation in federal task forces or joint investigations, even when those partnerships are effective or vital to public safety. Moreover, even with the listed exceptions, DPS may still be limited in how quickly and flexibly it can respond alongside federal partners, which could complicate partnerships with federal law enforcement, especially in areas like border security, drug enforcement, or organized crime.

This bill exposes DPS to significant legal liability given the potential for substantial civil damages, fines, and attorney fees. In addition, the bill permits damages without proof of intent to defraud and allows private individuals to file lawsuits on behalf of the state, further heightening the potential litigation exposure. To mitigate this risk DPS would likely need to implement new policies, training, documentation, and oversight systems, increasing staff workload and compliance costs.

PERFORMANCE IMPLICATIONS

HB-328 could negatively affect how effectively and efficiently DPS carries out its public safety mission. By limiting or delaying participation in federal joint task forces and joint operations, DPS may not be able to address complex cases such as drug trafficking, human trafficking, organized crime, and border-related offenses. Decisions that once could be made quickly may require additional verification and result in diminished outcomes in fast-moving or high-risk operations.

Additional training may be needed to ensure officers understand when joint operations are allowed or prohibited, and until it is fully implemented, inconsistent understanding could affect application in the field.

ADMINISTRATIVE IMPLICATIONS

HB-328 would significantly increase DPS's administrative burden by requiring new policies, training programs, documentation practices, and oversight systems to ensure compliance with the bill's restrictions. Staff time would need to be diverted from core law enforcement functions to monitoring, verification, recordkeeping, and management efforts, raising ongoing workload and administrative costs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

2026 SB-303

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo will remain.

AMENDMENTS

None.