

LFC Requester: _____

**AGENCY BILL ANALYSIS
2026 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 1/27/2026
Bill No: SB 17-280

Sponsor: Micaelita Debbie O'Malley
Andrea Romero
Heather Berghmans
Charlotte Little
Short Stop Illegal Gun Trade Act
Title: _____

Agency Name
and Code LOPD-280
Number: _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY25 | FY26 | | |
| | | | |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------------|------------------|
| FY25 | FY26 | FY27 | | |
| | | | | |
| | | | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 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 proposed Stop Illegal Gun Trade Act is primarily aimed at placing requirements and restrictions on firearms dealers in the interest of advancing public safety.

A “dealer” is defined in the bill as “a person or business in the state that holds a federal firearms license issued in accordance with 18 U.S.C. 923(a)(3).” 18 U.S.C. 923(a)(3) in turn provides in relevant part that “no person shall engage in the business of . . . dealing in firearms . . . until he has filed an application with and received a license to do so from the Attorney General” and specifies the requirements for licensure to deal in firearms.

This proposed legislation would broadly impose the following categories of requirements and restrictions on “dealers” in New Mexico:

I. Dealer Security:

This bill would require the department of public safety to promulgate certain rules governing the physical security of dealer premises including: requiring security alarm systems; “site hardening”, i.e., requiring the use of certain physical security features including locks on doors and windows; installation of video surveillance systems; and “other reasonable requirements” aimed at reducing the risk of burglary and/or gun theft.

II. Employment Requirements and Restrictions:

This bill would prohibit dealers from employing anyone under the age of 21, and anyone who is legally prohibited from possessing a firearm, to handle, sell, or deliver firearms. It would require the department of public safety to promulgate rules to “address dealer employee criminal background checks,” including requiring the use of the national instant criminal background check system to screen prospective employees.

This bill would also require the department of public safety to develop a training program that all dealer employees would be required to complete within 30 days of employment, and annually thereafter. The bill enumerates specific categories of training that the department of public safety would be required to develop and make available to dealers.

III. Dealer Record Maintenance:

This bill would impose a series of requirements regarding dealers' creation, maintenance, and retention of records. For example, dealers would be required to keep records of all firearms purchased, sold, acquired, or disposed of, and of all criminal traces initiated by the federal bureau of alcohol, tobacco, firearms and explosives.

This bill would require that the records be made available to any law enforcement officer, and that records regarding firearm disposition be made available to the firearm manufacturer. The records would otherwise be confidential and exempt from IPRA requests. The bill would require dealers to turn all records over to the department of public safety upon the discontinuation of business, where they would be permanently retained.

IV. Dealer Reporting Requirements:

This bill would require dealers to report certain types of transactions and other events to the department of public safety. Dealers would be required to report transactions involving more than one firearm, as well as any thefts or losses of firearms. The bill would also require dealers to respond promptly to requests from law enforcement, including trace requests and requests for records.

This bill would require dealers and manufacturers to notify the department of public safety when inspected by the federal bureau of alcohol, tobacco, firearms, and explosives, and to provide the department of public safety with copies of reports of violations or letters from the bureau. Finally, this bill would require dealers to submit certain quarterly and annual reporting to the department of public safety.

V. Prohibiting the Sale of Extremely Dangerous Weapons

This bill would prohibit outright the sale or transfer of certain identified firearms and ammunition types to anyone not licensed pursuant to 18 U.S.C. Section 923. The identified firearms and ammunition include: (1) detachable magazines that hold more than ten rounds of ammunition; (2) .50 caliber rifles; (3) .50 caliber cartridges; (4) gas-operated semiautomatic firearms that can accept detachable magazines; (5) gas-operated semiautomatic firearms with fixed magazines that hold more than ten rounds of ammunition; and (6) machine guns.

The bill identifies numerous exceptions to the general prohibition on the sale of the identified firearms and ammunition.

This bill would make it a misdemeanor to violate the prohibition on selling the identified firearms and ammunition.

VI. Inspections and Compliance

This bill would require dealers to annually certify to the department of public safety that they have complied with the requirements of this proposed act. This bill would make it a misdemeanor for a dealer to knowingly falsify the information in their annual compliance reports.

This bill would also require the department of public safety to promulgate rules requiring the department to periodically inspect dealers and their premises. The department of public safety would also be required to release annual reports regarding their inspection results.

VII. Required Warnings

This bill would require retail firearm dealers to conspicuously post at their points of sale certain notices regarding: background check requirements; proper firearm storage; potential criminal liability for purchasing a firearm for a felon or an individual who intends to commit a crime; and suicide prevention.

VIII. Penalty for Violation

This bill would create two new misdemeanors. *First*, this bill would make it a misdemeanor for a dealer to sell or transfer specifically identified firearms and ammunition to anyone not licensed pursuant to federal statute. *Second*, this bill would make it a misdemeanor for a dealer to knowingly falsify information on their required annual compliance report. Based on the bill's definition of "dealer", the only individuals who could commit these new offenses are "person[s] or business[es] in the state that hold[] a federal firearms license issued in accordance with 18 U.S.C. 923(a)(3)."

All other violations of the requirements created by this bill would be subject to a civil penalty of \$200 for a first violation, and a civil penalty of up to \$1,000 for each subsequent violation.

FISCAL IMPLICATIONS

This bill is primarily regulatory in nature, and the many proposed restrictions and requirements contained in this bill are aimed at firearm dealers and manufacturers. As a result, while this bill would create two new misdemeanors, they would be of limited applicability insofar as they could be committed only by firearm dealers in New Mexico.

Because the universe of individuals who could commit these two new misdemeanors is small, it is unlikely to have a significant financial impact on the Law Offices of the Public Defender ("LOPD"). Moreover, because the only individuals who can commit these new misdemeanors are individuals who have gone through the process to be a licensed dealer in accordance with 18 U.S.C. 923(a)(3), there is not likely to be a significant overlap with the LOPD's indigent client population.

Notwithstanding the foregoing, it is difficult to predict the impact of the creation of a new crime on the Law Offices of the Public Defender because no statistics exist to suggest how much the newly criminalized behavior presently occurs, and how much it would continue and be prosecuted. It is important to remember that indigent criminal defense is a constitutionally mandated right, and that LOPD does not control the decision to charge or the number of resultant cases assigned to the agency. Accurate prediction of the fiscal impact is impossible to speculate; assessment of the required resources would be necessary after the implementation of the proposed scheme.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

Reviewer is unaware whether this legislation is germane under Art. IV, Section 5. It is not a budget bill, analyst is unaware if it has been drawn pursuant to a special message of the Governor, and it was not vetoed following the previous regular session.

OTHER SUBSTANTIVE ISSUES

Because this bill would impose restrictions on individuals' ability to acquire and possess certain types of firearms and ammunition, it may draw challenges under the Second Amendment to the United States Constitution and Article II Section 6 of the New Mexico Constitution.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS