

LFC Requester:

Eric Chenier

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

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(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:** 1/30/26 **Bill Number:** SB0186 **Original**  **Amendment**  **Substitute**

**Short Title:** NO USE OF SNAP FOR SOFT DRINKS & CANDY

**Sponsor:** Sen. Woods, Sen. Wilson, Sen. Block

**Name and Code Number:** HCA 630

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$0.0	NA	NA

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	0	\$63.75 (Nonrecurring)	\$315.0 (Recurring)	\$378.75	Both	SGF

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

Senate Bill 186 (SB 186) would amend the New Mexico Public Assistance Act to prohibit recipients of federal Supplemental Nutrition Assistance Program (SNAP) from using those benefits to purchase candy or sweetened drinks. This bill defines “candy” as an item containing sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of a bar, drops, or pieces. “Sweetened drink” is defined as nonalcoholic beverage made with water and contains five grams or more of added sugar or any amount of artificial sweeteners, but excludes milk, milk products, soymilk, rice milk, or similar milk substitutes and beverages that are at least 50% fruit or vegetable juice (by volume).

**FISCAL IMPLICATIONS**

SB 186 does not appropriate funds to assist with the costs that will be associated with implementing and managing SB 186. If SB 186 is enacted, the Health Care Authority (HCA) would be required to work with the Electronic Benefits Transfer (EBT) processor, Fidelity National Information Services (FIS), to implement product-level purchase restrictions. This would require point-of-sale (POS) systems to identify and block items based on specific criteria, including added sugar thresholds, the presence of artificial sweeteners, and the classification of “candy.” Under the bill, “candy” would include products containing sugar, honey, or other natural or artificial sweeteners combined with chocolate, fruit, nuts, or other ingredients or flavorings, and sold in the form of bars, drops, or pieces. This adds operational difficulty as products change formulations, resulting in frequent re-identification of items that were acceptable, now being unacceptable, and vice versa. The level of complexity for identifying eligible and ineligible items becomes more difficult for mixed or borderline products, such as granola bars, flavored waters, kombucha, smoothies, etc.

SNAP benefits are issued on EBT cards. Implementation of SB 186 would require system enhancements to modify EBT functionality in order to enforce the purchase restrictions on candy and sweetened beverages as defined in the bill.

In the SNAP POS environment, a transaction lookup is a system query sent from a retailer’s POS terminal to the EBT processor to determine whether a SNAP transaction can be completed based on whether or not it is a “qualified” item to be purchased with SNAP benefits.

Currently FIS processes approximately 3.5 million transaction lookups each month each transaction costs \$.01 cent. At the current per-transaction rate, this equates to an estimated cost of

\$35,000 per month, or approximately \$420,000 annually, for lookup transaction processing.

The total cost to implement will be as follows:

<b>Cost</b>	<b>One-Time/Recurring</b>	<b>SGF</b>	<b>FF</b>	<b>Total Cost</b>
FNS Certification	SFY 27 One-Time	\$31.875	\$10.625	\$42.5
Implementation	SFY 27 One-Time	\$31.875	\$10.625	\$42.5
Transaction Processing	Recurring (beginning in SFY 28)	\$315.0	\$105.0	\$420.0
<b>SFY 27 one-time Total Cost</b>	<b>One-Time</b>	<b>\$63.75</b>	<b>\$21.25</b>	<b>\$85.0</b>
<b>SFY 28 and ongoing Total Cost</b>	<b>Recurring</b>	<b>\$315.0</b>	<b>\$105.0</b>	<b>\$420.0</b>

### **SIGNIFICANT ISSUES**

Implementing SB 186 would require United States Department of Agriculture (USDA) approval of a waiver to be enforceable, as HCA cannot independently prohibit candy or sweetened drink purchases with federal SNAP benefits without requesting a waiver.

The New Mexico Administrative Code (NMAC) incorporates federal SNAP eligibility rules and SB 186 would require NMAC to be amended.

While promoting healthy eating is an important goal, it is critical to recognize that healthier food options are often more expensive and less accessible, particularly in rural and low-income communities. Restricting SNAP purchases to exclude certain low-cost food items may unintentionally create additional barriers for households that already struggle to stretch limited food dollars across an entire month. SNAP is designed to be a *supplement* to a household's food budget, not a comprehensive solution, and many participating families must make difficult trade-offs to cover all food needs. Additional purchase restrictions risk reducing flexibility, increasing stigma, and making it more difficult for households to meet basic nutritional needs within constrained budgets.

### **PERFORMANCE IMPLICATIONS**

N/A.

### **ADMINISTRATIVE IMPLICATIONS**

SB 186 does not include an appropriation for implementation or ongoing maintenance costs. Without dedicated funding, the HCA would be unable to initiate or sustain implementation of the bill's requirements.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A.

## **TECHNICAL ISSUES**

SB 186 does not specify an implementation timeline. Based on system, vendor, and operational requirements, and the existing backlog of change requests due to the many federal changes mandated by HR1, the HCA estimates that implementation would take at least 6 to 9 months from the date funding and authorization are available, if not longer.

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo.

## **AMENDMENTS**

N/A.