

LFC Requester:	Sanchez, Scott
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AGENCY BILL ANALYSIS - 2026 REGULAR 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: 2/5/26 *Check all that apply:*
Bill Number: SB 221 Original Correction
 Amendment Substitute

Sponsor: Sen. James F. Townsend **Agency Name and Code:** AOC 218
Short Title: Crime of Misappropriation of Oil & Gas Equip. **Person Writing:** Kathleen Sabo
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	Rec.	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
Unknown	Unknown	Unknown	Rec.	General

(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	Unknown	Unknown	Unknown	Unknown	Rec.	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None.

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB 221 creates the felony crime of “Misappropriation of a Petroleum Product of Oil and Gas Equipment”, within the Criminal Code, consisting of a person:

(1) taking, acquiring or exercising control over a petroleum product or oil and gas equipment without the owner’s consent and with the intent to deprive the owner of the petroleum product through specified means:

(2) transporting to a waste facility a petroleum product for which the person cannot identify the petroleum product’s owner;

(3) purchasing a petroleum product from a person not authorized by the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department (EMNRD) to sell the petroleum product; or

(4) storing, delivering, purchasing or trading a petroleum product. For financial benefit by using a method not authorized by the OCD.

SB 221 provides the following penalties when the aggregate value of the petroleum product or oil and gas equipment is:

- \$500 or less = fourth degree felony;
- Greater than \$500 but not greater than \$2,500 = third degree felony;
- Greater than \$2,500 = second degree felony

SB 221 when an individual has engaged in misappropriation of a petroleum product or oil and gas equipment more than once within a six-month period, the prosecution may charge the individual under this section either:

(1) in separate counts based on the value of petroleum products or oil and gas misappropriated in each occurrence from a single property; or

(2) in a single count based on the aggregated value of all petroleum products and oil and gas equipment misappropriated during that six-month period. If the misappropriations occurred in different counties, venue shall be proper in any county in which the petroleum products or oil and gas equipment were misappropriated.

SB 221 provides that the penalties pursuant to this section are separate and distinct from those authorized in Section 70-2-31 NMSA 1978.

SB 221 defines “oil and gas equipment” and “petroleum product”.

SB 221 also amends Section 30-42-3 NMSA 1978, within the Racketeering Act, to include misappropriation of a petroleum product or oil and gas equipment, as provided in Section 30-16-49 NMSA 1978 within the definition of “racketeering”.

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and the imposition of damages, commenced prosecutions and actions,

including the imposition of restraining orders or prohibitions under the Racketeering Act, and appeals from damage impositions, convictions and actions brought pursuant to the Racketeering Act, and under the Criminal Code for the crime of Misappropriation of a Petroleum Product or Oil and Gas Equipment. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

Increased penalties are likely to result in more defendants invoking their right to trials, as well as to jury trials. More trials and more jury trials will require additional judge time, courtroom staff time, courtroom availability and jury fees. Indigent offenders are entitled to public defender services.

SIGNIFICANT ISSUES

1) The Racketeering Act, Section 30-42-1 NMSA 1978 et. seq., provides both criminal (Section 30-42-4 NMSA 1978) and civil (Section 30-42-6 NMSA 1978) penalties. Section 30-42-5 NMSA 1978 grants authority to enforce the criminal provisions of the Racketeering Act by initiating investigations, assisting grand juries, obtaining indictments, filing informations and complaints and prosecuting criminal cases to the Attorney General and the District Attorneys.

2) New Mexico's larceny statute, Section 30-16-1 NMSA 1978 contains petty misdemeanor and misdemeanor penalties when the value of property stolen is not more than \$250 or \$500, respectively. SB 221 provides a fourth degree felony penalty for misappropriation of a petroleum product or oil and gas equipment when the aggregate value of the product or equipment is \$500 or less.

Increased penalties are likely to result in more defendants invoking their right to trials, as well as to jury trials. More trials and more jury trials will require additional judge time, courtroom staff time, courtroom availability and jury fees. Indigent offenders are entitled to public defender services.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

ADMINISTRATIVE IMPLICATIONS

See "Fiscal Implications," above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS