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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 272

SHORT TITLE: Crime of Deed Theft

SPONSOR: Small

LAST ORIGINAL
UPDATE: _____ **DATE:** 02/13/2026 **ANALYST:** Sanchez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
NMCD	No fiscal impact	At least \$27.2	At least \$27.2	At least \$54.4	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Administrative Office of the Courts
Administrative Office of the District Attorneys
Law Offices of the Public Defender
New Mexico Sentencing Commission
Regulation and Licensing Department

Agency or Agencies That Were Asked for Analysis but did not Respond

Corrections Department
Office of the Attorney General

SUMMARY

Synopsis of House Bill 272

House Bill 272 (HB272) creates a new section of the Criminal Code to establish the crime of deed theft and sets felony penalties based on the type and number of properties involved.

The bill makes it a crime to intentionally alter, falsify, forge, or misrepresent deeds, titles, or other property documents, or to use fraudulent or deceptive practices, to unlawfully transfer, obtain, encumber, or claim ownership or possession of residential or commercial real property.

HB272 classifies deed theft as a third-degree felony when it involves one commercial property; a second-degree felony when it involves a residential property, a mixed-use property with a residential unit, or multiple commercial properties; and a first-degree felony when it involves an

occupied home or a home owned or occupied by a person who is elderly, incapacitated, incompetent, or physically disabled. The bill also creates the separate offense of aggravated deed theft, a first-degree felony, when two or more residential properties are involved.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

Incarceration drives costs in the criminal justice system, so any changes in the number of individuals in prison and the length of time served that might result from this bill could have moderate fiscal impacts. HB272 creates new felony offenses, including first-degree felonies, which would likely increase New Mexico's prison population relative to current law in cases where conduct would otherwise be charged at a lower felony degree. In addition to the potential for new felony charges to increase admissions, longer sentences could result in fewer releases relative to admissions, driving up overall prison populations.

The New Mexico Sentencing Commission notes the median length of stay for individuals released in FY24 was 1.58 years for a third-degree felony, 3.47 years for a second-degree felony, and 13.29 years for a first-degree felony. The Corrections Department reports the average cost to incarcerate a single inmate in FY25 was \$61.5 thousand, and LFC estimates a marginal cost of \$27.2 thousand per additional inmate per year. To the extent the bill results in additional first-degree felony convictions or longer periods of incarceration than would occur under existing fraud, embezzlement, or forgery statutes, incarceration costs to the state would increase accordingly. Because charging practices and sentencing outcomes are uncertain, the net fiscal impact cannot be precisely estimated at this time.

Agency analyses also indicate potential operating impacts beyond incarceration. The Administrative Office of the Courts reports that new felony offenses and increased penalties may increase caseloads, jury trials, and associated court resources. The Law Offices of the Public Defender notes that any increase in felony prosecutions would correspondingly increase indigent defense workload and funding needs. These system costs are not included in the incarceration estimates above but could be moderate, depending on the volume and complexity of cases filed under the new statute.

SIGNIFICANT ISSUES

HB272 creates a new, stand-alone offense for conduct that may also fall under existing fraud, embezzlement, or forgery statutes. Current law criminalizes the intentional misappropriation of property through fraudulent conduct and the falsification of writings with legal effect, with penalties that vary based on the value of the property involved. As a result, much of the conduct described in the bill could already be prosecuted as a felony under Section 30-16-6 (Fraud), Section 30-16-8 (Embezzlement), or Section 30-16-10 (Forgery). The creation of a separate deed theft statute may raise questions about overlap, charging discretion, and the potential for double jeopardy litigation if multiple statutes are applied to the same conduct.

The bill also establishes felony levels based on the type of property and certain victim characteristics, rather than on the property's monetary value. Under current fraud statutes,

penalties escalate according to the dollar amount involved. By contrast, HB272 differentiates offenses based on whether the property is residential or commercial and whether the property is occupied or owned by specified individuals. This shift in structure could result in some conduct being charged at a higher or lower degree of felony than under existing law, depending on the circumstances.

Agency analysis indicates that several other states have enacted deed or title theft statutes in recent years in response to concerns about forged documents and fraudulent transfers of real property. To the extent New Mexico adopts a similar approach, the bill would align state law with a broader trend of creating offense-specific provisions addressing real property fraud.

SS/cf/ct