

LFC Requester:	Gray
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**AGENCY BILL ANALYSIS
2024 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 January 29, 2024
Bill No: HB 258

Sponsor: Armstrong
Short Title: Premium Tax for Emergency Services

Agency Name and Code ML
Number: _____
Person Writing Alison Nichols
Phone: 505-470-3931 **Email** anichols@nmml.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	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:

FISCAL IMPLICATIONS

House Bill 258 distributes ten percent of health insurance premium tax revenues to the Emergency Medical Services Fund. This distribution is approximately \$22 million (based on LFC FIR analysis from SB 491 from 2023). Currently, revenues go to the General Fund.

EMS services across the state would receive approximately \$22 million in increased distributions as a result of the additional funding. The distribution formula would not change, so agencies would likely receive increased funding proportionate to their current funding levels.

SIGNIFICANT ISSUES

EMS services statewide are chronically underfunded, leaving departments without adequate numbers of trained personnel and hindering timely care for patients.

Currently, the EMS Fund receives approximately \$2.9 million annually, which is insufficient to support critical emergency services across the state. The fund distributed approximately \$3.9 million in FY10, but distributions have decreased nearly every year since then. Local EMS services receive an average of ~\$8,000 annually, a small portion of annual operational costs. In addition, EMS capital costs are high and increasing. For examples, ambulances typically cost over \$250 thousand, gurneys and load systems over \$40 thousand, and cardiac monitors and defibrillators over \$30 thousand.

EMS service is critical for communities across the state, providing lifesaving interventions, transportation to healthcare facilities, overdose response, and support for disaster response, as well as for the state’s growing outdoor recreation industry.