

**LFC Requester:****Brendon Gray**

**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** 1/22/24

**Bill No:** SB116

**Sponsor:** Sen. Hickey  
**Short Title:** SB116 Tobacco fund not a Reserve Fund

**Agency Name and Code**    HSD-630  
**Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |      | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY24          | FY25 |                           |               |
| \$0           | \$0  | N/A                       | N/A           |
|               |      |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |      |      | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24              | FY25 | FY26 |                           |               |
| \$22,846.0        | TBD  | TBD  | Recurring                 | N/A           |
|                   |      |      |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

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

|              | <b>FY24</b> | <b>FY25</b> | <b>FY26</b> | <b>3 Year<br/>Total Cost</b> | <b>Recurring or<br/>Nonrecurring</b> | <b>Fund<br/>Affected</b> |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| <b>Total</b> | \$0         | \$0         | \$0         | \$0                          | Recurring                            | N/A                      |

(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: Senate Bill 116 (SB116) provides that the Tobacco Settlement Permanent Fund (TSPF) is not a Reserve Fund of the state. An annual distribution would be made each year from the TSPF to the Tobacco Settlement Program Fund. The Bill amends the distribution amount to four and seventh-tenths percent of the average of the year-end market values of the TSPF, calculated over the preceding five calendar years. If this distribution amount in a given fiscal year is insufficient to meet appropriations for the fiscal year, then the secretary of finance and administration shall proportionately reduce each appropriation accordingly.

**FISCAL IMPLICATIONS**

The Health Care Authority (HCA) receives an annual appropriation from the Tobacco Settlement Program Fund. The Table below shows amounts appropriated to HCA program areas over the past three Fiscal years (in thousands of \$s). In SFY 2024 HCA received additional funding in the annual appropriation from the Tobacco Settlement Program Fund. The appropriation amounts accruing to HCA under SB 116 are uncertain (TBD), depending on the year-end market values of the TSPF. In the event these values are relatively high, then HCA might anticipate additional funds transfers as occurred in SFY 2024. Otherwise, the transfer amounts to HCA from the Tobacco Settlement Program Fund will reduce the Operating Budget of Medicaid/CHIP programs. If the distribution amounts to the HCA are reduced then the HCA will require general fund to make up the shortfall.

| Revenue transfer to the HCA from the Tobacco Settlement Program Fund | SFY 2022       | SFY 2023       | SFY 2024        |
|--|----------------|----------------|-----------------|
| Breast and Cervical Cancer   | \$861          | \$1,255        | \$1,255         |
| General Medicaid Program   | \$4,501        | \$7,591        | \$7,591         |
| Additional Funds if available  | na             | na             | \$14,000        |
| <b>Total HCA Appropriation</b>                                       | <b>\$5,362</b> | <b>\$8,846</b> | <b>\$22,846</b> |

**SIGNIFICANT ISSUES**

None.

**PERFORMANCE IMPLICATIONS**

None.

**ADMINISTRATIVE IMPLICATIONS**

None.

No IT impact.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

**TECHNICAL ISSUES**

None.

**OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

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

None.

**AMENDMENTS**

None.