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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 9/aHJC

SHORT TITLE: Immigrant Safety Act

SPONSOR: Reps. Chávez, Rubio, Romero and Anaya/Sen. Cervantes

LAST ORIGINAL
UPDATE: 1/22/26 **DATE:** 1/21/2026 **ANALYST:** Sanchez

REVENUE* (dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
GRT and Income Tax Revenue	No fiscal impact	At least (\$545.0)	At least (\$545.0)	At least (\$545.0)	At least (\$545.0)	Recurring	General Fund

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
DPS	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund
NMAG	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund
Total	No fiscal impact	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	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

Corrections Department (NMCD)
 Department of Public Safety (DPS)
 Office of the Attorney General (NMAG)
 Administrative Office of the District Attorneys (AODA)
 Law Offices of the Public Defender (PDD)

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

Municipal League (ML)

Other Respondents

Cibola County

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Judiciary Committee Amendment to House Bill 9

The House Judiciary Committee Amendments to House Bill 9 add “extend” to the list of prohibited actions and provide that a public body may not enter into, extend, renew, or otherwise become a party to an agreement to detain individuals for federal civil immigration violations, including through a rider, amendment, supplement, or other modification made for that purpose. The amendments also add a new section providing that a public body may not enter into, extend, renew, or otherwise become a party to an agreement under 8 U.S.C. Section 1357(g) or 8 C.F.R. Section 287.7 that authorizes local officers, employees, or agents to perform federal civil immigration functions, and require a public body that is currently party to such an agreement to terminate it at the earliest date permitted under the agreement’s terms.

Synopsis of House Bill 9

House Bill 9 (HB9) proposes enacting new statutory provisions prohibiting New Mexico public bodies from participating in the federal civil immigration detention system. The bill does not amend a specific existing statute but would be codified as a new section in state law. Under Section 2 of the bill, “public body” is broadly defined to include state and local governments, sheriff’s departments, school districts, special tax districts, institutions of higher education, and any other entity or individual acting on behalf of or within the scope of a public body’s authority. Section 3 prohibits public bodies from entering into, renewing, or maintaining any agreement, such as an intergovernmental service agreement, that facilitates the detention of individuals for federal civil immigration violations. It also requires public bodies currently party to such agreements to terminate them on the bill’s effective date, as soon as contract terms allow.

Further, the bill bars public bodies from selling, leasing, or otherwise transferring property for immigration detention and prohibits the adoption or enforcement of any law, ordinance, or policy that conflicts with the bill’s provisions. Notably, the bill does not restrict lawful investigatory detentions under state law and clarifies that law enforcement may continue to conduct brief investigative stops permitted by existing legal standards. Section 4 authorizes the attorney general or a district attorney to bring a civil action in district court to enforce the bill, and empowers the courts to issue injunctive or declaratory relief, though monetary damages are not permitted.

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

HB9 does not contain an appropriation and does not mandate new expenditures or administrative

responsibilities for state agencies. Agencies responding to date report no direct fiscal impact to their operations. However, the bill's provisions could have state-level revenue implications if they contribute to changes in detention operations in counties currently involved in federal civil immigration detention agreements. The bill prohibits public bodies, including counties and sheriff's departments, from entering into, renewing, or otherwise being a party to agreements used to detain individuals for federal civil immigration violations and requires termination of existing agreements at the earliest date permitted by contract terms. The bill also restricts public bodies from disposing of real property to be used for such detention and from maintaining local policies that conflict with the act. While the bill does not directly restrict the federal government from contracting with private operators, any resulting changes in facility operations could affect economic activity in communities where detention facilities and related employment are concentrated.

Cibola County is the only local jurisdiction to submit formal feedback during the analysis period. In its legislative impact brief and accompanying IMPLAN-based economic impact analysis, the county estimates closure of the CoreCivic Milan Correctional Facility would eliminate about 181 direct jobs and reduce annual payroll by about \$16 million, with a modeled total output reduction of about \$20.4 million when multiplier effects are included and a modeled GDP reduction of about 2.36 percent of the estimated 2023 county GDP. The county's modeling also estimates tax revenue reductions across levels of government, including an estimated reduction of about \$545 thousand in annual state tax revenue associated with lower income and gross receipts tax activity, as well as an estimated county-level tax revenue reduction of about \$36 thousand driven primarily by reduced sales and property tax components.

Cibola County's submission also characterizes the economic effects as extending beyond the facility's direct payroll, including induced household spending and supply chain impacts. The IMPLAN analysis estimates an additional 24.45 full-time-equivalent positions could be affected beyond direct facility jobs through induced effects and identifies downstream impacts concentrated in sectors tied to household spending and community services, including owner-occupied housing, hospitals and healthcare, and limited-service restaurants. The analysis attributes the modeled county and state tax effects to reduced household spending and potential property value effects associated with reduced employment and economic activity.

The fiscal impact of HB9 on Cibola County might be more muted if changes are limited to the ICE-funded portion of operations, given information provided to LFC staff indicating U.S. Immigration and Customs Enforcement (ICE) currently uses about 100 to 250 beds at the Cibola County Detention Center; under that scenario, the direct fiscal exposure from eliminating those ICE-funded beds would be proportionally smaller based on the occupancy range and per-bed revenue assumptions available to LFC staff. However, the county's modeling reflects a broader closure scenario with knock-on effects that depend on how facility operations and related local spending adjust. Comparable modeling or impact statements were not provided by Torrance or Otero Counties, so potential spillover effects in those communities and any resulting statewide revenue implications remain indeterminate.

Comparable information has not been provided for Torrance or Otero Counties, where detention facilities also operate under arrangements that may be affected by HB9; accordingly, any statewide revenue effect remains indeterminate and would depend on whether and how detention operations change across facilities and whether federal authorities continue operations through direct private contracts without reliance on local agreements or public infrastructure.

HB9 authorizes, but does not require, the attorney general or a district attorney to pursue civil enforcement actions, and the bill limits available court remedies to declaratory and injunctive relief rather than monetary damages. To the extent enforcement actions are initiated or the act is challenged in court, legal costs could be incurred by prosecutorial entities and could vary based on the number, complexity, and duration of cases. Potential litigation raising issues such as preemption or intergovernmental immunity could also generate costs, though the likelihood and scale of litigation are uncertain and would depend on implementation and subsequent legal challenges.

Overall, HB9 does not create direct state expenditures but may be associated with indeterminate state revenue effects linked to changes in taxable economic activity and with potential legal costs associated with discretionary enforcement and litigation.

SIGNIFICANT ISSUES

While the bill’s language is broadly framed to sever local and state involvement in federal immigration detention, its practical reach may depend on the structure of existing contracts and the extent to which public resources are used in privately operated facilities. State agency feedback also emphasizes that the bill primarily serves as a direction on the use of state and local resources, rather than a regulation of federal immigration enforcement itself, which may shape how implementation and legal review are framed.

The bill directs termination of existing detention-related agreements “upon the earliest date permissible” under the agreement terms and, in the case of agreements with multiple purposes, applies the termination requirement to “all provisions that relate” to federal civil immigration detention. In practice, this approach may require contract-by-contract review to determine which provisions are covered, whether those provisions are severable, and what actions constitute “termination” where a public body’s involvement is indirect (for example, through ancillary services, facility support, or shared-use arrangements).

HB9 applies to “public bodies” and is drafted to reach not only governmental entities but also “an entity or individual acting on behalf of or within the scope of the authority of the public body,” which could create fact-specific questions about what conduct is attributable to a county, sheriff’s department, or other covered entity. This attribution language may be most consequential where detention operations are privately operated but depend on public approvals, public services, or other forms of government participation that could be characterized as acting “on behalf of” a public body.

The bill’s restrictions on public property and local policy may also generate interpretive issues. HB9 prohibits a public body from selling, trading, leasing, or otherwise disposing of real property “to be used” for federal civil immigration detention and bars public bodies from imposing or continuing in effect any law, ordinance, policy, or regulation that conflicts with the act. These provisions may raise questions about how broadly “to be used” is interpreted (for example, whether it turns on the intended end use, actual use, or mixed uses) and how conflicts are identified when local policies address detention operations indirectly. These provisions may raise questions about how “to be used” is evaluated in settings with mixed uses or evolving end uses, and how “conflict” is identified when local policies indirectly affect detention operations. Separately, because HB9 is triggered by the actions of public bodies, stakeholders may ask how the bill interacts with scenarios where federal agencies contract directly with private operators;

the bill does not explicitly regulate federal agencies or private entities acting outside the scope of a public body’s authority, which may affect how detention operations adapt in practice.

Agency analysis also highlights potential legal considerations. The Department of Public Safety cites federal preemption precedent emphasizing that a state’s decision to withhold its own resources from federal immigration enforcement differs from impeding federal enforcement, and the Office of the Attorney General (NMAG) notes that court outcomes on related intergovernmental immunity and federal-contractor issues have varied across jurisdictions, depending on how a restriction is framed and applied. NMAG also cites New Mexico authority recognizing the Legislature’s ability to constrain local government powers through general law, which may be relevant to provisions addressing local policies that conflict with the act. Finally, HB9 authorizes, but does not require, the attorney general or a district attorney to pursue civil enforcement and limits available relief to declaratory or injunctive remedies, which may influence how consistently the act is enforced across jurisdictions. The Administrative Office of the District Attorneys notes a potential operational issue in certain cases where individuals subject to federal civil immigration detention also have pending state criminal matters, because transfers outside the state could complicate access for counsel and justice partners.

Finally, HB9 includes a law-enforcement savings clause stating nothing in the act limits law enforcement’s ability to detain individuals or conduct brief investigative stops as permitted by state law, which may help separate the bill’s detention-contract focus from routine policing activity but may also prompt questions about operational boundaries at facilities or during transport and booking where civil immigration detention and criminal detention functions intersect.

PERFORMANCE IMPLICATIONS

HB9 does not assign new duties to state agencies or establish new performance targets, and its restrictions apply primarily to “public bodies,” including local governments and sheriff’s departments. Any performance implications for state agencies would likely be indirect and would depend on whether detention capacity or detention locations change in counties currently involved in federal civil immigration detention agreements. If detention operations shift or consolidate, agencies that rely on local detention systems—such as corrections, public safety, and justice partners—could see changes in transportation and scheduling logistics that affect timeliness and operational efficiency, including longer transports for court appearances, medical visits, or transfers.