

NOTICE OF RULEMAKING

The Department of Finance and Administration, Local Government Division, has scheduled a public hearing for the proposed amendment of New Mexico Administrative Code (NMAC) rule 2.110.3, *Law Enforcement Protection Fund Distribution*. The proposed amendment seeks to:

- \* Correct punctuation, grammatical errors, and references contained in the rule;
- \* Update the definitions applicable to the rule;
- \* Update the eligible expenditures for distributions under the rule;
- \* Align the rule with the statute's prohibition on accumulation;
- \* Provide standards for expenditure planning.

Notice Date: June 9, 2026

Hearing Date: July 13, 2026

Adoption Date: Proposed as July 16, 2026

Effective Date: Proposed as July 28, 2026

Technical Citations: 2.110.3 NMAC

**The Department is proposing to amend 2.110.3 NMAC as follows:**

**2.110.3.6**      **OBJECTIVE:** [~~These rules and regulations provide procedures for applying for participation in the annual distribution of the fund and clarify the eligible uses of the fund.~~] The objective of this rule is to set standards for the distribution and use of the law enforcement protection fund in accordance with the law, ensuring that all expenditures improve the efficiency, safety, and effectiveness of law enforcement agencies, while also maintaining accountability and adhering to procurement requirements.

**2.110.3.7**      **DEFINITIONS:**

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**B.**      "**Accumulation**" [~~means holding funds from year to year to create a balance at the governmental entity level~~] refers to retaining any part of a distribution from the law enforcement protection fund beyond the fiscal year it was received, whether this retention is intentional, planned, or incidental. It does not include program income from canceled or modified purchases, cost reductions, or other legitimate savings within the same fiscal year, provided such income is spent on authorized law enforcement purposes during that year.

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**D.**      "**Carryover**" [~~means, with the written approval of the division, retaining an unexpended award amount remaining at the end of one fiscal year and applying it to the immediately succeeding fiscal year only~~] refers to the retention, rollover, or transfer of any unused portion of a distribution from the law enforcement protection fund into a future fiscal year, including the use, rollover, or attempted use of any unspent amount from one fiscal year in the following year.

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**F.**      "**Encumbered**" refers to funds that are legally committed through contracts, purchase orders, or other binding agreements made within the fiscal year of distribution.

**G.**      "**Equipment**" refers to tangible personal property purchased to directly support law enforcement activities, including, but not limited to, personal equipment (such as firearms, non-lethal weapons, vests, handcuffs, batons, duty belts to carry these items, surgical gloves, flashlights, etc.), technology (such as license plate readers, cameras, radar detectors, body cameras, police radios, surveillance drones, surveillance cameras, audio equipment, facial recognition software, predictive policing software, etc.), vehicles (such as patrol cars, motorcycles, segways, bicycles, etc.), and other tools or equipment essential to law enforcement activities.

**[F] H.**      "**Fund**" [~~means the law enforcement protection fund created in the Law Enforcement Protection Fund Act, as amended~~] refers to the law enforcement protection fund established by the Law Enforcement Protection Fund Act, as amended.

**I.** “Governmental entity” [means the academy, a municipality, university, tribe, or pueblo located wholly or partly in New Mexico, or a county] refers to any political subdivision of the state established under general or special law that either receives or expends public funds.

**J.** “Indirect operating expenses” refer to costs that governmental entities incur for general operations but are not directly linked to law enforcement activities. These include rent, utilities, insurance, and administrative salaries, not directly tied to the delivery of law enforcement activities.

**K.** “Improvement or repair” refers to costs incurred for repairing, maintaining, or upgrading equipment owned or leased by a law enforcement agency, with the primary goal of preserving or enhancing the agency’s operational readiness, security, or storage capabilities.

**L.** “Maintenance tools” refers to instruments or supplies reasonably needed for maintaining or repairing law enforcement equipment or vehicles, such as bicycle tire pumps and diagnostic kits.

**M.** “Obligated” refers to funds that have been legally committed for spending within the fiscal year of distribution, including encumbered amounts and expenses already incurred, in accordance with applicable procurement and financial control requirements.

**N.** “Operational supplies and costs” refers to items directly connected to law enforcement functions, including data storage devices and consumables related to investigations or evidence handling.

**O.** “Program income” refers to funds that are returned, credited, or become available to an agency within the fiscal year of distribution because of:

- (1) canceled or changed purchases or projects;
- (2) spending less than planned;
- (3) sale of equipment purchased with distributions from the fund; or
- (4) cost savings.

**P.** “Recruitment infrastructure” refers to digital or physical resources such as recruitment websites, advertising efforts, and community outreach tools used to attract and retain qualified law enforcement personnel.

**Q.** “Training” refers to advanced courses, classes, certifications, or instructions aimed at improving the professional skills, knowledge, safety, or effectiveness of law enforcement personnel.

**R.** “Tribal Police department” [means any tribal or pueblo police department that has entered into an agreement with the department of public safety pursuant to Section 29-1-11 NMSA 1978. The law enforcement agencies of the bureau of Indian affairs do not qualify because they are federal agencies] refers to any tribal or pueblo police force that has a formal agreement with the department of public safety under Section 29-1-11 NMSA 1978. The law enforcement agencies of the bureau of Indian affairs do not qualify, as they are federal agencies.

### **2.110.3.8 ELIGIBLE [USE OF FUND] EXPENDITURES:**

**A.** [The fund shall be used only for the purposes set forth in the Law Enforcement Protection Fund Act, as amended, including but not limited to Section 29-13-7 NMSA 1978.] Eligible expenditures may encompass various categories, as long as they directly improve law enforcement operations' capacity, safety, or functionality, or significantly aid recruitment and administrative efficiency through the purchase or acquisition of equipment, improvements or repairs to equipment, maintenance tools, operational supplies and costs, recruitment infrastructure, or training.

**B.** Eligible expenditures may include, but are not limited to:

- (1) law enforcement equipment;
- (2) [guns, holsters, surveillance equipment, vehicles, uniforms, belts, badges and related apparatus to be used by law enforcement personnel] certified police dogs, protective vests, and veterinary services;
- (3) [computers, printers, phones, fax machines, copy machines, software and projectors which are used by sheriffs or police officers] advanced law enforcement training manuals;
- (4) [advanced law enforcement training manuals] advanced law enforcement planning and training in New Mexico or out of New Mexico if a comparable level of training is not available;
- (5) [advanced law enforcement planning and training in New Mexico or out of New Mexico if a comparable level of training is not available] mileage and per diem for advanced law enforcement training or planning;
- (6) [purchasing, certifying and training of dogs in K-9 units] conferences associated with advanced law enforcement training and planning;
- (7) [purchase of law enforcement equipment, including protective vests, for police dogs] for the academy, tourniquet and trauma kits, and training on the use of tourniquets and trauma kits;

~~(8) [mileage and per diem for advanced law enforcement training or planning] tuition, course fees, certification costs, travel, lodging, per diem, online course subscriptions, and reasonable expenses directly related to participation in advanced, specialized, or leadership training programs for law enforcement personnel. [~~  
~~(9) conferences associated with advanced law enforcement training and planning; and~~  
~~(10) for the academy, providing tourniquet and trauma kits and training on the use of tourniquet and trauma kits.]~~

C. Ineligible expenditures include, but are not limited to:

- ~~(1) [operating expenses, including but not limited to maintenance agreements, paper and ink for fax or copy machines, phone bills or supplies] indirect operating expenses;~~
- ~~(2) [desks, chairs and file cabinets] general office supplies, including desks, chairs, and file cabinets;~~
- (3) educational costs not associated with advanced training or planning;
- (4) district attorney investigators and attorney general investigators; and
- (5) kitchen appliances and bathroom accessories.

#### **2.110.3.10 LIMITATIONS OF USES:**

- ~~A. Amounts distributed from the fund shall be:~~
- ~~(1) expended only for the specific purposes as stated in the approved application; and~~
  - ~~(2) expended pursuant to approved budgets and upon duly executed vouchers.~~
- ~~B. Any changes to the budget require prior written approval by the division.~~
- ~~C. The distributions from the fund are to be expended, not accumulated, except as provided for the peace officers' survivors fund. Any unexpended award amount remaining at the end of a fiscal year may be carried over to a succeeding fiscal year only with prior written approval from the division. An applicant wishing to request such a carryover must submit a request in writing to the division by July 31 explaining the unusual circumstances requiring an unexpended amount to be carried over to the succeeding fiscal year. The division director will review the unusual circumstances associated with the unexpended amount and determine whether the amount may be carried over.~~
- ~~D. Interest earned through a governmental entity's deposit of unexpended amounts distributed from the fund must be used only for purposes allowed under the Law Enforcement Protection Fund Act. Because the fund is not intended for accumulation, unexpended amounts distributed from the fund are not allowed for long term investment purposes.~~
- ~~E. As a prerequisite to applying for an award from the fund, governmental entities agree that any consideration received from the sale or trade of any item purchased in whole or in part with monies distributed in any fiscal year from the fund shall revert to the governmental entity's fund within six months of the governmental entity's receipt of such consideration to be used for fund allowable purposes. A reversion is not required if the consideration was taken as a trade towards the purchase of items to be used for fund allowable purposes.]~~

#### **2.110.3.10 PROHIBITION ON ACCUMULATION:**

- ~~A. No governmental entity can carry over or accumulate fund distributions into the next fiscal year unless the funds are properly encumbered.~~
- ~~B. Any unexpended distribution shall revert to the law enforcement protection fund.~~
- ~~C. Amounts distributed from the fund shall be:~~
- ~~(1) expended only for the specific purposes as stated in the approved application; and~~
  - ~~(2) expended pursuant to approved budgets and upon duly executed vouchers.~~
- ~~D. Any changes to the budget require prior written approval by the division.~~
- ~~E. The distributions from the fund are to be expended, not accumulated, except as provided for the peace officers' survivors fund.~~
- ~~F. Interest earned from a governmental entity's deposit of unspent amounts from the fund are program income and must only be used for purposes permitted under the Law Enforcement Protection Fund Act.~~
- ~~G. Before applying for an award from the fund, government entities must agree that any proceeds from selling or trading items bought with fund money will be returned to their fund within six months of receipt. This returned amount is to be used for fund-allowable purposes. However, if the consideration was obtained as part of a trade to acquire items for fund-eligible uses, a reversion is not necessary.~~

#### **2.110.3.11 EXPENDITURE PLANNING CONSIDERATIONS:**

A. To comply with Subsection C of Section 29-13-7, NMSA 1978, governmental entities should plan their annual expenditures to ensure that all distributions are fully committed within the same fiscal year they are received.

B. When creating annual budgets, governmental entities might benefit from prioritizing expenditures that lead to long-term enhancements in law enforcement functions, like officer safety gear, enhanced training, technological improvements, and recruitment efforts.

C. Agencies retain discretion in determining the most effective use of their distribution, provided that expenditures are consistent with New Mexico law and this rule.

These proposed rule changes will be contained in 2.110.3 NMAC. The register and the proposed rule are available on the DFA website at <https://www.nmdfa.state.nm.us/>. If you do not have internet access, a copy of the proposed register and rule may be requested by contacting DFA's General Counsel's officer at [dfalegal@dfa.nm.gov](mailto:dfalegal@dfa.nm.gov).

The DFA plans to adopt this rule on July 16, 2026.

A public hearing to receive testimony on this proposed rule will be held on July 13, 2026, at 9:30 a.m. A hearing will be held at the New Mexico Department of Finance and Administration, Bataan Memorial Building, 407 Galisteo St., Santa Fe, NM 87501, State Budget Conference Room, and via Microsoft Teams.

#### **Join Microsoft Teams Meeting**

**Link:** <https://teams.microsoft.com/meet/275098969212515?p=akxGDYL95MOug5SzIu>

**Meeting ID:** 275 098 969 212 515

**Passcode:** SB7797Sr

If you are a person with a disability and you require this information in an alternative format or require a special accommodation to participate in the public hearing, please contact our staff to discuss your accessibility needs at least one week prior, or as soon as possible, by emailing the Department of Finance and Administration, General Counsel Office at: [dfalegal@dfa.nm.gov](mailto:dfalegal@dfa.nm.gov) or 505-827-3985.

DFA will make copies of all comments available upon request, either by providing copies directly to a requestor or by making them available on the DFA website or at a location within the requestor's county.

Interested persons may address written comments to:

Department of Finance and Administration, Financial Control Division  
ATTN: 2.42.2 NMAC Public Comments  
407 Galisteo St.  
Bataan Memorial Building  
Santa Fe, NM 87501

Recorded comments may be left at (505) 827-3985. Interested persons may also address comments via electronic mail to: [dfalegal@dfa.nm.gov](mailto:dfalegal@dfa.nm.gov). Written mail, electronic mail, and recorded comments must be received no later than 5:00 p.m. MT on July 13, 2026. Written and recorded comments will be given the same consideration as oral testimony made at the public hearing. All written comments received will be posted as they are received on the DFA website at <https://www.nmdfa.state.nm.us/> along with the applicable register and rule. The public posting will include the name and any contact information provided by the commenter.