

NEW MEXICO
MUNICIPAL LEAGUE

The Municipal Reporter

A Publication of the New Mexico Municipal League

Spring 2024



Santa Fe Airport at Dawn

NEW MEXICO MUNICIPAL LEAGUE

New Mexico Municipal League



1229 Paseo de Peralta
Santa Fe, NM 87501



(505) 982-5573



www.nmml.org

Municipal Reporter

Spring 2024

Published quarterly by the New Mexico Municipal League

Executive Director - AJ Forte

Staff Editor - Alison Nichols

For any questions or comments about this newsletter, or to submit content for publication, please contact Alison Nichols at anichols@nmml.org

New Mexico Municipal League Board of Directors

Executive Committee

President: Lynn Crawford, Mayor (Ruidoso)

President-Elect: Vacant

Vice President: Gregg Hull, Mayor (Rio Rancho)

Treasurer: Jack Torres, Mayor (Bernalillo)

Immediate Past President: Mike Miller, Mayor (Portales)

Board Members

Elizabeth Allen, Judge (Los Alamos)

Guadalupe Cano, Mayor Pro Tem (Silver City)

Lori Chatterley, CMO, Commissioner (Raton)

JM DeYoung, Interim City Manager (Gallup)

Joseph Eby, CMO, Councilor (Ruidoso)

Steve Hebbe, Police Chief (Farmington)

Patricia Holland, Chief Financial Officer (Gallup)

Kevin Hope, Fire Chief (Artesia)

Robert Hudson, Airport Manager (Moriarty)

Janis Jakino, CMO, Councilor (Farmington)

Tim Keller, Mayor (Albuquerque)

Signe Lindell, Councilor (Santa Fe)

Rebecca Martinez, Clerk (Rio Rancho)

James Maynard, Trustee (Cloudcroft)

Erin McSherry, Attorney (Santa Fe)

Michael Morris, Mayor (Clovis)

Margaret Neill, Library Administrator (Santa Fe)

Adam Ochoa, Plans Examiner/Inspector Supervisor (Las Cruces)

Klarissa Pena, Councilor (Albuquerque)

Javier Perea, Mayor (Sunland Park)

Dale Prairie, Mayor Pro Tem (Bernalillo)

Michael Rael, CMO, Judge (Questa)

Neil Segotta, Mayor (Raton)

Joseph Seskey, Judge (Roswell)

Danielle Shuryn, Compliance Division Manager

(Albuquerque Bernalillo County Water Utility Authority)

Margarita Smith, Court Administrator (Clovis)

John Ramon Vigil, Mayor (Española)

NMSIF Chair: Linda Calhoun, CMO, Mayor (Red River)

President's Message

Dear Members,

As we reflect on the 2024 legislative session, I'm proud to report that it was a successful one for the League and its members – especially due to the passage and signing of two key League priorities that translate into real benefits for our communities. Senate Bill 151 increases funding for emergency medical services across the state from around \$3 million annually to approximately \$14 million annually – a significant amount that will help our local EMS departments purchase vehicles and medical equipment, and support training and licensing for EMS personnel. This legislative victory is especially meaningful because it was the first real increase in EMS distributions in three decades, and has been a League priority for nearly as long.

In another legislative win, Senate Bill 148 phases out tax administration fees charged to local governments on distributions of gross receipts and compensating taxes. The phase-out of these fees will save local governments nearly \$70 million annually by the time they are phased out in FY29.

These legislative accomplishments remind us that consistent, unified municipal voices can make real changes for our communities. As usual, so many of you called and emailed your legislators, showed up in legislative committees, and provided information and support to our legislative team in the Roundhouse.

Legislative advocacy is a year-round process, and we are already looking ahead to 2025. In particular, we are excited about an increased focus on data and analysis to inform our policy recommendations. On that note, the League is kicking off an in-depth policy evaluation on our state's open records – or Inspection of Public Records Act – laws. We think this data-driven report will contribute to meaningful and effective legislative recommendations for the coming session.

Farther afield, several members of the League's executive committee and staff traveled to Washington D.C. in March for the National League of Cities' Congressional Cities Conference. This is always a valuable opportunity for us to meet with members of our state's Congressional delegation and their staff and let them know the issues that our members are dealing with, like substance abuse and homelessness in our communities, the need for affordable housing, and ongoing questions about how to secure and administer federal funding opportunities for infrastructure.

Finally, we are also excited to share the League's three-year strategic plan with members. League and Fund board members and staff have been working on the plan for the past several months, with valuable input from members. This plan will guide our work and help us effectively prioritize over the next few years. The final strategic plan will be presented at upcoming League and Fund board meetings and will be shared with membership after that.

As usual, summer will be filled with lots of great League events, including subsection meetings, newly elected officials orientation, a Municipal Officials Leadership Institute, and others. And of course, August brings our Annual Conference in Clovis, a favorite event of many of our members. It promises to be a great time. I hope to see you there!

Lynn Crawford
Mayor, Village of Ruidoso
New Mexico Municipal League President



Municipal League News & Events



Save the Date! Municipal League Annual Conference August 13-16 Clovis, NM

More details and registration coming soon

Municipal League Attends National League of Cities Conference in Washington, D.C.

Members of the Municipal League's Executive Committee, along with League staff, attended the National League of Cities Congressional City Conference in Washington DC from March 10-13.

The conference drew over 3,000 attendees, who heard from speakers including President Joe Biden, Transportation Secretary Pete Buttigieg, Acting Labor Secretary Julie Su, Education Secretary Miguel Cardona, U.S. Representatives Don Bacon (Nebraska) and Salud Carbajal (California) and elected officials from across the country. Attendees also attended workshops on housing, renewable energy, workforce investment, water infrastructure, aviation, broadband, federal grant opportunities, and more.

While in D.C., the Municipal League delegation also met with members of New Mexico's Congressional delegation – **Senator Ben Ray Luján**, **Senator Martin Heinrich**, and **Congressman Gabe Vasquez**, as well as staff members from **Congresswoman Teresa Leger Fernandez'** office.

The League delegation discussed federal legislative issues relevant to municipalities, including federal support for affordable housing and issues of substance abuse and homelessness and support in securing federal grant opportunities, including through the Bipartisan Infrastructure Law. The League greatly appreciates Congressional members and staff for sharing their time and expertise with our group.

The NLC City Summit will take place from November 13-16 in Tampa, and next year's Congressional City Conference will take place from March 10-12 in Washington D.C.



League President Lynn Crawford (Mayor, Ruidoso), Treasurer Jack Torres (Mayor, Bernalillo), Policy Director Alison Nichols, Immediate Past President Mike Miller (Mayor, Portales), and Executive Director AJ Forte meet with Senator Ben Ray Luján



Caption: Municipal League Executive Committee members and staff in front of the U.S. Capitol

UPCOMING EVENTS

For a full list of events, please refer to the Municipal League website

May 7
Municipal Airport Managers Meeting
Ruidoso

May 8-10
New Mexico Aviation Conference
Ruidoso

May 8-10
Municipal Judges Conference
Albuquerque

May 10
Police Chiefs Association Meeting
Albuquerque

May 17
NMML Budget Committee
Santa Fe

June 6
NMML Board of Directors Meeting
Santa Fe

June 12-14
NM City Managers Association Conference
Santa Fe

June 27
Policy Committee Meetings
Albuquerque

Municipal League Districts Elect District Directors

Four of the eight Municipal League districts met during the week of March 4 to elect representatives for the League Board of Directors. District 2 members met in Taos, District 4 members met in Clovis, District 6 members met in Ruidoso, and District 8 members met in Bernalillo. The following individuals were elected to the League Board as district representatives:

- District 2: John Ramon Vigil, Mayor, Española
- District 4: Michael Morris, Mayor, Clovis
- District 6: Joe Eby, Councilor, Ruidoso
- District 8: Dale Prairie, Mayor Pro Tem, Bernalillo

Districts elect directors every two years; odd-numbered districts will meet to elect their representatives in 2025.

**Thank you to the host cities and all who participated.
Congratulations to new and re-elected Board members!**



 NEW MEXICO
Municipalities
by NMPL Districts

Key Dates for NMML Board Nominations & Declarations

*For Board positions elected at the 2024 Annual Conference
(Treasurer, Vice-President, President-Elect, and four At-Large Directors)*

May 17 - Written notice mailed to member municipalities soliciting nominations for NMML Board

June 17 - Letter declaring candidacy for NMML Board must be received by NMML

June 18 - If no nominations/declarations received, League President appoints a Nominating Committee

July 1 - Report of declared NMML Board candidates sent to all members

July 26 - Nominating Committee meets (if necessary)

August 2 - Nominating Committee Report sent to all members (if necessary)

August 15 - Election of officers and at-large directors at NMML Annual Conference (nominations may be made from the floor)

Municipal League Board, Staff Finalize Organization's Strategic Plan

Over the past six months, the Municipal League and the Self-Insurers' Fund have been working on development of a three-year strategic plan for both organizations. The League is working with external consultants to develop the plan, which incorporates input from League Board members and Fund trustees, subsection leadership, and NMML and NMSIF staff, as well as the results of a member survey conducted last year.

The completed strategic plan will be presented to the League Board in June for final approval and will be shared with membership.

The strategic plan, which details the organizations' shared vision, mission, and goals, will serve as a roadmap for the next three years and beyond, helping the Board and staff make informed decisions, allocate

resources effectively, and measure progress. It will also serve as a valuable tool for onboarding new members and staff.



Municipal League News & Events

Municipal League Members Meet in Santa Fe for Municipal Day; Audit Awards Given Out

Members from around the state gathered in Santa Fe on February 8 for the League's annual Municipal Day. The program included a legislative update from League Executive Director AJ Forte, a talk on leadership strategies from Dr. Drew Dooley, and presentation of annual audit awards by State Auditor Joseph Maestas.

The state auditor presented awards to the following municipalities:

- Most improved audit (small municipality): **Vaughn**
- Overall best audit (small municipality): **Williamsburg**
- Most improved audit (medium-sized municipality): **Milan**
- Overall best audit (small municipality): **Los Ranchos de Albuquerque**
- Most improved audit (large municipality): **Bernalillo**
- Overall best audit (large municipality): **Los Lunas**



League members gather for Municipal Day in Santa Fe



The Town of Bernalillo receives an audit award



The Village of Williamsburg receives an audit award

Judge Issues Temporary Order for General Services Department to Cease Efforts To Collect Retroactive Health Benefits Payments From Municipalities

In late March, the League received an update on ongoing litigation related to retroactive health benefits assessments on local governments. In response to a motion filed by League members, a judge issued a Temporary Restraining Order and Preliminary Injunction against the state's General Services Department (GSD), regarding the agency's attempts to invoice local governments to shore up the state employee group benefits fund. The ruling, from Judge Mercedes Murphy in the Seventh Judicial District, means that GSD must cease efforts to collect payments and cannot issue any new invoices.

GSD had sent out invoices in June 2023, attempting to charge group health benefits plan participants in order

to cover prior year shortfalls in the group benefits fund. The Municipal League objected to these assessments and did not believe that GSD had the legal authority to invoice plan participants for services already paid for and received. In response to the assessments, several Municipal League members, along with the New Mexico Self-Insurers' Fund, filed a complaint with the courts.

The League is pleased with the judge's ruling; however, the order is temporary, and litigation is ongoing. The League will update members with any developments in the legal proceedings.

2024 Legislative Session Review

Legislative Session Brings Funding for Emergency Medical Services and Infrastructure Statewide, Removal of Millions of Dollars in Fees on Local Governments

The Second Session of the 56th Legislature ended on February 15. Two key League priorities – bolstering funding for emergency medical services and removing a costly administrative fee on local governments – were among the bills that passed the Legislature and were signed by the Governor. In addition, several other bills and appropriations with positive impacts for local governments passed, including recruitment funding for law enforcement and firefighters, return-to-work provisions for public safety employees, and significant road funding.

As is typical in a legislative session, most of the bills that were introduced did not make it through both chambers in time. Of the 658 bills introduced, 72 passed the Legislature.

Senate Bill 151, which increases funding for EMS service across the state, passed the House and Senate unanimously and was signed by the Governor. The bill directs 5 percent – approximately \$11 million – of health insurance premium taxes to the EMS Fund, with a majority of funding distributed to local EMS services. Securing a funding increase was especially critical given that funding levels have not increased in three decades. Strong support from fire and EMS personnel throughout the session helped get the bill across the finish line.

SB151 was sponsored by Senators Pete Campos, Pat Woods, and Crystal Brantley, while an identical House Bill (HB258) was sponsored by Representatives Gail Armstrong, Jason Harper, Harlan Vincent, and Mark Duncan.

Senate Bill 148, removing tax fees on local governments, passed the Senate unanimously and passed the House with just one dissenting vote, before being signed by the Governor. Removing the 3 percent fee currently charged to local governments on collections and distributions of their gross receipts and compensating tax revenues will save local governments approximately \$70 million annually once the fees are phased out. The bill phases out fees over three years, removing them completely for FY29. The bill was sponsored by Senator Daniel Ivey-Soto and Representative Ryan Lane.

SB148 We are glad that legislators agree that local revenues should stay in local communities, and we believe that the money saved by local governments will bolster public safety and other critical local services.

Other notable bills included:

Budget & Investments

HB 2 GENERAL APPROPRIATION ACT OF 2024 (Nathan Small) Signed by Governor with Line Item Veto

House Bill 2 (the General Appropriation Act) makes appropriations and authorizes expenditures by state agencies. The bill includes **\$10.2 billion in recurring spending for FY25**, representing a 6.8 percent increase over the current fiscal year budget. In addition, HB2 includes \$1.3 billion in one-time special and supplemental appropriations and \$205 million from the general fund for road construction, maintenance, and beautification. The bill also transfers over \$1.3 billion from the general fund to several endowments and expendable trusts for future spending, including natural resources, housing, and government innovation pilot projects. The bill holds general fund reserves at 32 percent of recurring spending.

Thank you to all the sponsors we worked with, as well as legislators who heard municipal concerns, and all the hard-working legislative staff. We are also grateful to our members for advocating for municipal interests throughout the session.

Thank you for your support!



2024 Legislative Session Review

HB2 includes some one-time appropriations that benefit local governments:

- **A \$25 million appropriation for grants to state and local fire departments for recruitment of firefighters and emergency medical technicians.** Grants will be administered by the Department of Finance and Administration.
- **A \$25 million appropriation for recruitment grants to law enforcement, correctional, and detention officers.** Grants will be administered by the Department of Finance and Administration.
- **A \$75 million appropriation for matching assistance to local entities to match federal grants.** Funding will be administered by the Department of Finance and Administration. (HB177 includes criteria on distribution of funding to local entities).
- **A \$50 million appropriation to the Water Project Fund and \$50 million to the Water Trust Fund.** The appropriation to the Water Project Fund will fund a number of projects that were vetted and approved by the Water Trust Board for the 2024 cycle, but which wouldn't have been funded under original funding levels. The appropriation to the Water Trust Fund increases available funding for future years.

This year's HB2 also includes supplemental appropriations to local governments (appropriations that have been included in a separate "junior" bill in previous years). This year's supplemental appropriations are for two fiscal years (FY25 and FY26) and, for local governments, are appropriated to the regional councils of government for distribution to local entities. See supplemental appropriations to local governments starting on page 247 of HB2.

HB2 also includes funding for shortfalls in the employee group health benefits program – the subject of ongoing litigation due to the state's charging of local governments for retroactive payments. HB2 includes \$60.7 million for prior-year shortfalls, and \$25.4 million for current year shortfalls. However, these amounts fall short of addressing the fund deficit, which is almost \$120 million, according to a recent audit.

Infrastructure & Capital Outlay

HB 28 PUBLIC PROJECT REVOLVING FUND PROJECTS

(Joy Garratt) Signed by Governor

House Bill 28 provides authorization for the New Mexico Finance Authority to issue loans from the Public Project Revolving Fund to various qualified entities for specific public projects. It includes conditions for voiding authorization if entities do not express their intent to pursue a loan by a certain deadline. Refer to HB28 for a list of authorized projects.

HB 29 PUBLIC PROJECT FUND APPROPRIATIONS (Joy Garratt)

Signed by Governor

House Bill 29 appropriates \$13,000,000 from the Public Project Revolving Fund for the Drinking Water State Revolving Loan Fund, the Local Government Planning Fund and the Cultural Affairs Facilities Infrastructure Fund. Funding will be used for projects authorized in House Bill 28.



HB 148 WATER PROJECT FUND PROJECTS (Susan K Herrera) **Signed by Governor**

House Bill 148 authorizes the New Mexico Finance Authority to make loans or grants from the Water Project Fund for certain water projects. Refer to HB148 for a list of authorized projects.

HB 195 HOUSING FUND & CHANGES (Linda Serrato) **Signed by Governor**

House Bill 195 amends and enacts sections of the Opportunity Enterprise Act and changes the name of the act; allows the New Mexico Finance Authority to provide housing development loans; creates the Housing Development Revolving Fund; defines terms; amends the structure of the Opportunity Enterprise Review Board and changes its name; provides duties; requires rulemaking; amends requirements for opportunity enterprise loans; and requires reporting.

HB 211 WATER PROJECT PRIORITIZATION (Susan K Herrera) **Signed by Governor**

House Bill 211 makes a number of changes to the Water Project Finance Act. HB211 prioritizes Water Project Fund

2024 Legislative Session Review

projects that are urgent to address public health and safety; allows the Water Trust Board to authorize water projects for wastewater conveyance and treatment; removes the requirement that eligible entities conduct an audit; removes fiscal agent fees from items that are eligible for grants and loans; reduces the amount of water project funds distributed to the state engineer for the next five years; and provides that money in the Water Project Fund may be used to hire contractors to provide technical assistance.

HB 232 INFRASTRUCTURE PLANNING & DEV. DIVISION (Meredith Dixon) Signed by Governor

House Bill 232 creates the Infrastructure Planning and Development Division of the Department of Finance and Administration (DFA); reorganizes the local government division of DFA; transfers functions, personnel, appropriations, money, property, contractual obligations, and statutory references. The new division is tasked with providing assistance to local governments, councils of governments, and tribal governments in identifying and accessing funding for infrastructure development from available sources, administering funding to complete capital projects, and providing guidance on project plans and development.

SB 216 NMFA AFFORDABLE HOUSING PROJECTS (Nancy Rodriguez) Signed by Governor

Senate Bill 216 amends the New Mexico Finance Authority Act by adding housing as a public project eligible for financing and adding nonprofit housing developers as qualified entities. The bill also adds affordable housing plans as a qualified use of the local government planning fund.

SB 246 CAPITAL OUTLAY REAUTHORIZATIONS (Nancy Rodriguez) Signed by Governor with Line Item Vetoes

Senate Bill 246 reauthorizes 253 capital projects authorized in previous years from various funds. Reasons for reauthorization of capital outlay projects include changing the administering agency or the original purpose of the project, extending the reversion date, or expanding the purpose of the original project. For a list of reauthorized projects by county, refer [here](#).

SB 275 CAPITAL OUTLAY PROJECTS (Nancy Rodriguez) Signed by Governor with Line Item Vetoes

Senate Bill 275 includes approximately \$1 billion in general fund and other state revenues for capital projects. Approximately \$250 million is directed to local government projects, through the Local Government Division of the Department of Finance and Administration. In addition, the bill includes \$544 million for road projects, including for many local roads, as well as \$18 million to the New Mexico Finance Authority to address cost overruns for water projects. For a full list of projects by agency, see [here](#). For a full list of projects by county, see [here](#).

Tax Policy

HB 252 ADJUST INCOME TAX BRACKETS (Derrick Lente) Signed by Governor with Line Item Vetoes

House Bill 252 includes a number of changes to the tax code. The bill has a total FY25 cost to the state general fund of just over \$186 million and to local governments of approximately \$10 million to \$12 million. For a full analysis of the bill, refer to the [FIR](#) (note: some fiscal impact estimates on the bill's FIR are not finalized).

Most of the provisions in the bill were previously included in the tax package that passed the legislature in 2023 but were vetoed by the Governor. Two new measures endorsed by the Governor were added – clean car tax credits and solar market development tax credits. The bill contains several measures affecting state income tax liability. These have no fiscal impact on local government revenues.

The bill also contains six measures affecting state and local gross receipts taxes. These provisions are narrowly targeted and therefore have a relatively small cost to local governments:

- **A GRT deduction for individuals on Medicaid for home renovation costs incurred** that are necessary to improve their health and safety. The cost to local governments is estimated at about \$200,000 a year.

- **Allowing counties and municipalities to issue Industrial Revenue Bonds (IRBs) for energy storage facilities and providing a deduction for sales of energy storage equipment to governments.** These provisions parallel authority previously granted for solar and wind production projects. The fiscal impact on local governments for this measure is estimated as "indeterminate but minimal." A cost would only be incurred by those municipalities that participate in an IRB project.



2024 Legislative Session Review

• **A GRT deduction for childcare services provided by a licensed provider** and incurred under a contract or grant with the Early Childhood Education and Care Department or the Prekindergarten Act. The cost to local governments is estimated at \$5.2 million in FY25, growing to \$5.5 million by FY28.

• **A GRT credit for legal costs associated with assisting victims of the Calf Canyon fire** to receive federal compensation payments for their losses. This credit applies against gross receipts taxes imposed on the attorneys and must be applied for by the attorney. The total credit amount is capped at \$5 million a year. The estimated loss to local governments is \$2 million.

• **A GRT credit for the sale and use of dyed special fuels used for agricultural purposes.** The credit must be applied for by the seller of the fuel. The total credit amount is capped at \$10 million a year. The cost to local governments is estimated at approximately \$4 million a year.

• **A GRT deduction for geothermal electricity facility costs.** This deduction is similar to others already provided for solar and wind energy projects. The cost to local governments is estimated at \$750 thousand in FY25, rising to over \$2 million in FY28. An increase in local property taxes is projected to offset this loss.

The gross receipts tax measures, which affect local revenues, become effective July 1, 2024, except for the geothermal electricity deduction which becomes effective January 1, 2025. As is typical, no breakdown is provided between municipal and county impacts or upon individual governing entities. It is expected that many of the measures will have disproportionate impacts in a few geographic areas.

SB 236 METRO DEVELOPMENT PROJECT GRT INCREMENTS (Carrie Hamblen) Signed by Governor

Senate Bill 236 changes procedures to determine Gross Receipts Tax increments that fund Metropolitan Development Projects. The bill also resets the effective dates of provisions of the Metropolitan Redevelopment Code, moving the effective date from July 1, 2024, to January 1, 2025.

Law Enforcement & Public Safety

HB 193 LAW ENFORCEMENT RETENTION DISBURSEMENTS (Art De La Cruz) Signed by Governor

House Bill 193 makes changes to the Law Enforcement Retention Fund to allow for disbursements of up to 5 percent of an officer's annual base salary upon completing five, 10, 15, or 20 years of service. The bill allows disbursements for officers who have transferred between different law enforcement agencies in the state (officers become eligible in years four, nine, 14, and 19, but must remain with their same agency for one year following eligibility to actually receive the retention disbursement). The bill also allows for yearly 5 percent distributions beyond 21 years of service. In addition, the bill requires that law enforcement agencies be compliant with the Law Enforcement Training Act at the time the funding request is made and have submitted the agency's most current roster of full-time certified law enforcement officers to the New Mexico Law Enforcement Academy by April 1 of each year. HB2 includes a one-time \$1 million general fund appropriation for the fund.

Courts & Criminal Justice

HB 129 FIREARM SALE WAITING PERIOD CRIMES (Andrea Romero) Signed by Governor

House Bill 129 creates a required seven-day waiting period before the completion of a sale of a firearm and creates the crime of unlawful sale of a firearm before the required waiting period ends and. A firearm may be transferred to a buyer if the required federal instant background check has not been completed within 20 days. The bill includes exceptions for concealed carry license holders and federal firearms license holders, and law enforcement agencies, as well as exceptions for transfers between law enforcement officers certified federally or under the Law Enforcement Training Act and transfers between immediate family members.

SB 5 FIREARMS NEAR POLLING PLACES (Peter Wirth) Signed by Governor

Senate Bill 5 creates the petty misdemeanor offense of possession of a firearm within certain distances of a polling place during an election, with exceptions for certified law enforcement officers performing official duties, law enforcement officers certified pursuant to the Law Enforcement Training Act in accordance with policies of those officers' agencies, individuals in a private vehicle or other private means of conveyance, or concealed carry license holders.

2024 Legislative Session Review

SB 96 INCREASE ATTEMPTED MURDER PENALTY (Antonio "Moe" Maestas) *Signed by Governor*

Senate Bill 96 increases the penalty for the third-degree felony crime of attempted murder in the second degree from the basic term of imprisonment of three years to nine years. The bill also increases the basic sentence of imprisonment for a second-degree felony resulting in death from 15 years to 18 years.

SB 271 REPEAT FELONY OFFENDER NO BOND HOLD (Joseph Cervantes) *Signed by Governor*

Senate Bill 271 requires that an individual on pretrial release for a felony who is arrested for a subsequent felony shall remain in custody without bond, until each judge assigned to any previous felony case holds a hearing to consider modification or revocation of person's conditions of release.

Labor & Workforce

HB 236 PUBLIC SAFETY RETIREES RETURNING TO WORK (Gail C. Chasey) *Signed by Governor*

House Bill 236 amends the Public Employees Retirement Act in the state of New Mexico to allow certain public safety employees to return to work post-retirement without suspending their PERA benefits, under specific conditions (for a full analysis of the bill, refer to the [FIR](#)):

- Retirees must return to work before July 1, 2027.
- The retiree and their employer must make non-refundable contributions to PERA.
- The employee will not earn service credit for their term of reemployment.
- The retiree is limited to 36 months of reemployment while receiving a pension payment.
- The following types of employees are eligible: adult or juvenile correctional officers, adult or juvenile detention officers, municipal or state police officers, courthouse security officers, emergency medical dispatchers or technicians, paramedics, firefighters, public safety telecommunicators, sheriff's deputies, certified law enforcement officers who are employees of the Attorney General or of a district attorney's office, and protective services investigators with the Children, Youth and Families Department.

Environment & Natural Resources

HB 41 CLEAN TRANSPORTATION FUEL STANDARDS (Kristina Ortez) *Signed by Governor*

House Bill 41 authorizes the Environmental Improvement Board to adopt rules to establish and assess fees for a clean transportation fuels standard. The bill requires EIB to promulgate rules to implement a clean fuel transportation standard program no later than July 1, 2026.

Local Governance & Elections

HB 182 ELECTION CHANGES (Gail C. Chasey) *Signed by Governor*

House Bill 182 amends the Campaign Reporting Act by adding a disclaimer requirement for materially deceptive media and creating the crime of distributing or entering into an agreement with another person to distribute materially deceptive media. This applies to all websites, regularly published newspapers, magazines, internet forums, or other periodical of general circulation, including an internet or electronic publication, that routinely carries news and commentary of general interest and publishes advertisements. The bill creates a misdemeanor on the first conviction of a person who willfully and knowingly violated the prohibitions and a fourth-degree felony on the second conviction.

Other Bills

SB 6 CANNABIS REGULATION CHANGES (Katy Duhigg) *Signed by Governor*

Senate Bill 6 makes a number of changes to acts related to cannabis regulation. The bill strengthens criminal penalties for people trafficking illegal cannabis products; puts rules into place to make sure product packaging does not appeal to, or is targeted to, children; provides more specific procedures for background checks, so that anyone applying for a cannabis license must get both a federal and state background check; allows residents with a liquor license to also obtain a cannabis retail license, although they are prohibited from selling both products at the same location; categorizes cannabis as contraband in prisons and jails; and prevents legislators who were in office as of June 29, 2021 from being licensed for any commercial cannabis activity until July 1, 2026.

2024 Legislative Session Review

HB 177 NM MATCH FUND (Meredith Dixon) **Signed by Governor**

House Bill 177 creates the New Mexico Match Fund, to be administered by the Department of Finance and Administration. The bill allows DFA to match state funds for federal grants and offset higher project costs incurred to comply with federal requirements. Eligible entities, including local governments, can request the full amount of state matching funds required by the federal grant, which are contingent on the federal grant award for which matching state funds are needed. HB2 appropriates \$75 million to the Match Fund.



Around the State

Over \$900 million in federal BIL funding awarded for projects across the state; new dashboard details awards

The Governor's office recently released an interactive dashboard showing projects funded using monies from the federal Bipartisan Infrastructure Law. As of the end of March, just **over \$900 million had been awarded for projects statewide**, with 42 percent of funding expended. (The data includes federal monies distributed by the state, but does not include funds that local governments may have received directly from the federal government).

The bulk of the funding – 91 percent – has gone to transportation-related projects, mainly for road and bridge construction and repair and pedestrian infrastructure. *See top 10 projects by award amounts.*

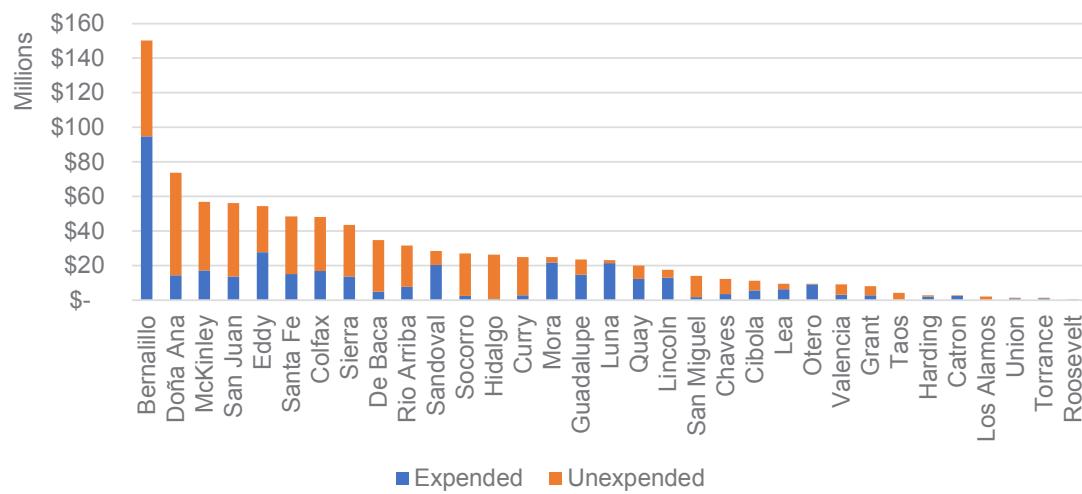
The dashboard identifies projects by county, but not by municipality.

See below chart for funding by county.

The governor's office has indicated it plans to make ongoing enhancements to the dashboard; for example, by adding project subcategories and more detailed project descriptions.

County	Project Description	Project Total
Sierra	Bridge Replacement & Interchange Modifications	\$29,391,662
Hidalgo	Pavement Preservation	\$23,104,395
Doña Ana	Widen NM 404 from I-10 to NM 213 from 2 lanes to 4 lanes	\$22,137,173
McKinley	Bridge Replacement	\$19,446,483
Luna	Pavement Rehab	\$19,270,798
San Juan	Reconstruction and Bridge Replacement	\$17,318,278
Bernalillo	I-40 Coors Interchange	\$16,825,298
Eddy	Roadway Reconstruction and Drainage Structure Extensions	\$16,394,216
Doña Ana	Multimodal and Roadway Improvements	\$16,374,032
Curry	Roadway Reconstruction, Drainage & Intersection Improvements	\$16,256,576

BIL Funding by County



The dashboard can be viewed here: <https://www.nm.gov/federal-funding/>

New Mexico Self Insurers' Fund Update

Enhancing Fund Member Value: Updated Rates Mean Cost Savings for You

Linda Calhoun, Mayor, Red River; NMSIF Board Chair

In February of this year, the New Mexico Self-Insurers' Fund (NMSIF) Board of Trustees approved a rates structure resulting in a two-year program savings of over \$25 million dollars for member insureds. We've recently welcomed Hobbs, Clovis, and Questa to our program, resulting in hundreds of millions of dollars in increased property values and tens of millions of dollars in increased payroll. Most importantly, those additions to our program strengthened our core business.

Part of bringing a better product to you is ensuring that we understand the changing market. We have fewer local firms than we did just a few short years ago, meaning that our short-term future will involve procurement practices that cast a wider net. Excess carriers and reinsurers are forecasting expectations of regular appraisal cycles for property programs, which we expect to deliver. And as claims made under the New Mexico Civil Rights Act fully mature, we'll continue to encourage our pool to take advantage of the higher limits available for purchase. The Board has consistently emphasized the importance of preventative risk management, and we're making good on those values.

On the subject of underwriting, you may have recently received letters from the Fund concerning its joint powers agreement and the importance of the exposure survey. As a reminder, joint powers agreement is the document that allows all member insureds to play by the same set of rules; the survey is the process by which you notify us of the widgets you need to insure are covered in the event of a loss. As we've communicated previously, continued membership in our program, as well as continued access to its discounted premium structure, provides you the greatest opportunity to adequately fund programs and initiatives in your own community. To that end, it is critical that we receive both of the above documents by April 30 and June 30, respectively.

We are also continuously seeking to improve our program's design to better serve members. We encourage you to read, understand, and think about the conditions, representations, and limitations within your certificates of coverage. We're not content to rest on our existing design wins from this decade – we are always working towards a better tomorrow for you.

Focus areas for this year include making sure your buildings are occupied and in-use; ensuring that law enforcement vehicles have proper, quality equipment installed; and safeguarding your practices after a loss to prevent the future from repeating the past. That's precisely what we hope to accomplish with our expanded loss control program: a community of care that extends its reach statewide, bringing safety and prosperity to your front door.

Believe it or not, we're now only a few months away from the Municipal League's Annual Conference, happening in Clovis in August. I hope to see you there and share in our joint accomplishments while looking ahead to all the good that's yet to come.

Understanding the Dynamics of Insurance Premiums

Allen Fugler, Underwriting Director, New Mexico Self-Insurers' Fund

As we move into "renewal season" for FY25, it may be a helpful reminder that insurance rates can be a complex amalgam of many factors:

- Deductibles and limits of liability chosen can discount or debit premiums; as with personal auto and homeowners' policies, larger deductibles lower premiums and larger limits of liability increase premiums.
- Program losses by line of coverage: claims experience by all members aggregate to create an overall loss ratio that is considered by reinsurers; these costs must be considered in rates as reinsurance premiums are ceded to those "backstop" carriers.



New Mexico Self Insurers' Fund Update

- Catastrophic losses and risk potentials inside and outside of New Mexico: widespread losses from hurricanes, floods, wildfires, and earthquakes can affect the "capacity" (an insurance term for the financial position) of reinsurers, which drives rate increases in the property sector. For example, the forecast for an above average 2024 hurricane season influenced by an emerging La Niña weather pattern is causing international insurers to reconsider rates even after several years of steep increases.
- Individual losses by member by line of coverage: these losses generate a loss ratio and experience modifier used in final premium calculation.
- Regional rates for wind, hail, and wildfire risks that are calculated by actuarial analysis of historic losses and weather events and emerging patterns.

For general liability, law enforcement liability, public officials' liability and workers compensation rate development, losses play a prominent role in experience modifiers calculation and are factored into rates. In addition, potential claims exposures resulting from regulatory and statutory changes and litigation trends are considered in determining overall premium reserve adequacy. These factors can affect discounts applied by line of coverage and resulting final premiums.

Please note that maintaining current values and listed assets for auto liability and physical damage, payrolls and employment information for Public Officials, Law Enforcement Liability and Workers Compensation and buildings and contents can earn discounts by lines of coverage. Annual revisions account for social inflation, increased building costs and accurately listed assets that provide proper valuations and confidence in premiums calculations. These annual adjustments also instill confidence in reinsurance carriers and the best possible rate consideration for backing of the Fund's risk portfolio.

Current asset listings also avoid potential issues over claims coverage for unscheduled assets. The policy form states that NMSIF members are required to use the Member Portal to maintain their asset schedules, such as building construction types, ages of roof, plumbing and electrical updates, computer equipment and contents, vehicles' values and descriptions. The asset schedules "on file" constitutes the exposure data used as a rating basis and for reinsurance premiums to protect all Members of the Fund.



Members should use the Online Portal

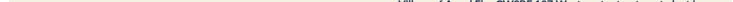
(<https://www.nmsif.app/account/login>) to maintain asset schedules, create and edit Certificates of Insurance, and change certain profile features.

We recently added access to FY24 policy documents, declarations pages to help enhance efficiency and expand the services already offered to Fund members.

*For questions regarding Member Portal access,
please contact Allen Fugler at afugler@nmsif.org or 505-992-3536.*

INFRASTRUCTURE FUNDING AVAILABLE

Clean Water State Revolving Fund (CWSRF)



Village of Angel Fire CWSRF 107 Wastewater treatment plant improve

Loan and Grant Funding Available for Planning, Design and Construction Projects
Interest Rates 0-0.01%

CWSRF

Program Eligibility:

- Centralized Wastewater Collection and Treatment Projects
- Energy Efficiency at WWTP's, including solar
- Stormwater Projects
- Landfills
- Water Conservation
- Emerging Contaminants
- Security Measures at Publicly Owned Treatment Works to include:
 - Addressing cybersecurity
 - Fencing
 - Security cameras/motion detectors
 - Security lighting

*Year Round Application

*Application does not create obligation

0.01% interest rate

VS 3% interest rate

- \$2Million borrowed
- 20-year repayment
- 0.01% interest rate
- Annual Payment \$100,105.03
- Total interest paid \$2,100.69
- \$34,326.39 annual savings, \$686,527.57 total savings



APPLY NOW

Fiscal Year 2025 Application now open!

Contact us

 NMENV-cpbinfo@state.nm.us



505-469-3365



<https://www.env.nm.gov/construction-programs/>

Turn Your House Into a HOME



Housing New Mexico



New Mexico Mortgage Finance Authority's **HOME Rehabilitation Program** provides accessibility modifications and repairs to bring homes up to code for homeowners who lack the resources to do so.

In 2023, MFA provided over **\$2.2 million** in funding to rehabilitate 26 homes in the state.

To learn more about the program and how to apply, visit: www.housingnm.org



We Are Housing New Mexico

From the Archives: Santa Fe New Mexican, January 24, 1901

Municipal League Convention

An effort to secure Beneficial and Uniform Legislation

The municipal league of New Mexico met last evening at the office of the mayor and again this forenoon, and then adjourned, subject to the call of the executive committee. The following municipalities were represented: Albuquerque, Las Vegas, Raton, Santa Fe, Gallup, Silver City, and Roswell.

The president of the league, J. J. Shuler, mayor of Raton, presided. F. C. Wright, of Silver City, the secretary, was present, as was C. G. Coors,

mayor of Las Vegas, vice president. The object of the league is to secure beneficial and uniform legislation for New Mexico municipalities. A committee on legislation, consisting of O. N. Marron, mayor of Albuquerque; W. C. Wrigley, of Raton, and F. C. Wright, of Silver City, was appointed and will remain here during part of the legislative session to draft suitable legislation and to look after the interests of New Mexico cities and towns.



1229 Paseo de Peralta
Santa Fe, NM 87501



The Municipal Reporter

A Publication of the New Mexico Municipal League

Spring 2024

In this issue:

Message from the NNML President

Upcoming Events

Municipal League News

2024 Session Review

NMSIF Rate Development