



## *New Mexico Municipal League*

### LEGISLATIVE BULLETIN

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#### HURRY UP AND WAIT

This week saw two League priority bills advance, in large part thanks to great turnout by fire and EMS personnel. We have seen strong support for our bills in committees, but with one week to go, it'll be a race to get the bills through their final committees and passed on the House floor, especially given the long floor debates on contentious bills. The Legislature must still pass the General Appropriation Act and finalize capital outlay legislation, so we can expect late nights and high stress levels for the next week.

**Municipalities at the Legislature.** The League held its annual Municipal Day on February 8. Over 300 municipal elected officials and employees showed up to hear legislative updates, network, and meet with legislators.

*Thanks to all attendees for the strong municipal showing in Santa Fe!*

**House Bill 2 in Senate Finance, supplemental appropriations to be added to bill.** The Senate Finance Committee continues to work on [House Bill 2](#), the General Appropriation Act. The House version of HB2 that came over to the Senate includes nearly \$10.1 billion in recurring general fund spending, a 6.5 percent increase over last year's budget, as well as \$2.6 billion in one-time general fund spending. This year's supplemental, one-time appropriations to state agencies and local governments – called "Junior Bill" appropriations in past years, and this year called "Grow" appropriations – will be included in HB2.

**Capital outlay bill to be finalized next week.** This year's capital outlay bill, [Senate Bill 275](#), sponsored by Senator Nancy Rodriguez, is still being worked on. Local projects have not been added to the bill yet, but you can view all the projects – including local projects – that each legislator has requested [here](#).

**House Tax Package Released, Minimal Impact to Local Governments.** The House Taxation and Revenue Committee passed an Omnibus Tax Act ([House Bill 252](#)), which subsequently passed the House Floor. The bill has a total annual cost to the state of just over \$100 million and to local governments of approximately \$5 million.

The bill contains seven separate measures affecting state income tax liability. These have no fiscal impact on local government revenues. It also contains three measures affecting state and local gross receipts taxes. These

#### Key legislative session dates:

Opening day (noon): *January 16*  
Deadline for introduction: *January 31*  
Session ends (noon): *February 15*  
Legislation not acted upon by governor is pocket vetoed: *March 6*

Your legislator can be reached by name through the legislative switchboard: (505) 986-4300 in Santa Fe. The Legislature's website ([www.nmlegis.gov](http://www.nmlegis.gov)) also contains legislator's email addresses. You can also check the League's website ([www.nmml.org](http://www.nmml.org)) for other League information.

See page 4 for a summary of how legislation is passed in New Mexico.

provisions are narrowly targeted and therefore have a relatively small cost to local governments. 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.

The gross receipts tax measures, which do affect local revenues, become effective July 1, 2024 and include the following:

- A deduction on home renovations costs incurred by individuals on Medicaid that are necessary to improve their health and safety. The modifications include the purchase and installation of items such as ramps, in-shower bars, etc. *The cost to local governments is estimated at about \$200,000 a year.*
- A 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 million in the current fiscal year, growing to \$5.5 million by fiscal 2028.*
- 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 noted in a separate analysis of this measure as “indeterminate but minimal.” *A cost would only be incurred by those municipalities that participate in an IRB project.*

## League Priority Legislation

- **Senate Bill 151** continued to make its way through the Legislature, passing the Senate Floor on Wednesday and passing the House Taxation & Revenue Committee unanimously on Friday morning. The bill would distribute an additional \$11 million to EMS services across the state (the original bill would have distributed \$22 million but was amended in Senate Finance to a lower distribution). We again had a strong showing from fire and EMS personnel from across the state. We are now awaiting a hearing in House Appropriations & Finance, the last committee the bill has to go through. At this point, we are racing against the clock to make sure the bill can get heard in committee and on the House floor before next Thursday. Bill sponsors are Senator Pete Campos, Senator Pat Woods, and Senator Crystal Brantley.

*Thanks to all who showed up to speak in support SB151 – your support is much appreciated!*

- **Senate Bill 148** passed the Senate Finance Committee unanimously on Monday and passed the Senate Floor unanimously on Thursday. The bill, sponsored by Senator Daniel Ivey-Soto and Representative Ryan Lane, removes a 3 percent fee on local government gross receipts tax distributions. The fee generates over \$50 million annually for the state general fund, at the expense of local governments. A Senate Finance Committee substitute imposes a three-year phase out of the fee between FY27 and FY29. The bill will be heard in the House Taxation & Revenue Committee on Monday.

## Other bills of note:

- **We were glad to see the introduction of Senate Bill 300**, sponsored by Senator George Munoz. The bill would authorize up to \$206 million in bonding capacity from the severance tax bonding fund and \$247 million in state transportation bonds to support road projects. While we'd like to see some of the money go to the Transportation Project Fund for local road projects, this is still a much-needed injection of funding to address the \$6 billion road project backlog.
- **The Paid Family Medical Leave Act bill (Senate Bill 3, sponsored by Senator Mimi Stewart) has passed its Senate committees and is awaiting a hearing on the Senate floor.** The bill would establish a

12-week paid family medical leave benefit for nearly all workers in the state and establish a state-run program for employees who do not receive a qualifying benefit from their employer.

- **Return to Work legislation is progressing this session and appears to have more momentum than in previous years**, after more narrowly drafted legislation gained union support. [House Bill 236](#), sponsored by Representative Gail Chasey would make certain types of public employees eligible to return to work for a PERA employer after retirement. Eligible employees in the bill are 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 CYFD.
- **A bill that would create a Public Private Partnership (PPP) Act is awaiting a hearing on the House floor.** [House Bill 190](#), sponsored by Representative Joy Garratt, has garnered more support than past years' PPP proposals, in part because this year's legislation does not exempt PPP projects from the state procurement code.

## Other Substantive Legislation

The League tracks bills with potential impacts on municipalities. Beginning this session, **you can view a real-time list of all [tracked bills](#) by policy area on our website**, under Legislative Information. Please note that tracking of a bill does not indicate any League position on the bill. For more information on specific legislation, please contact us!

## Anatomy of a Bill

A bill is introduced by a sponsoring legislator on the floor of either house, numbered by the clerk and referred for consideration to one or more committees of that house. The deadline for introduction of all bills except appropriations bills or bills requested by the Governor (special messages) is noon on the 30<sup>th</sup> day of a 60-day session or noon on the 15<sup>th</sup> day of a 30-day session.

Committee recommendations usually determine the success or failure of a bill. A bill may be amended in committee or on the floor at any point in the process – sometimes changed so significantly that its own author would not recognize it – or a substitute measure with the same number and general subject matter may be put in its place.

If you are interested in a particular bill, do not be discouraged if it seems to sit for a long time in committee, particularly in a tax, finance, or appropriations committee. Bills requesting money or taxing authority often lie dormant until the last few days of a session and then move quickly.

If a bill passes successfully through its committee referrals, it returns to the floor of the chamber in which it was introduced for floor consideration. If it passes that chamber, it goes to the other chamber. However, it may also be tabled, referred again, or defeated.

In the second chamber the bill is again considered in one or several committees and it may again be amended or substituted. If it gets through its committee assignments, it returns to the floor of that chamber for consideration and may from there be referred, tabled, passed, or defeated.

If the bill passes the second chamber after being amended or substituted, the originating chamber must concur or fail to concur with the changes. If the originating chamber fails to concur, a conference committee representing both chambers is appointed to decide what to present to both chambers for acceptance.

A bill that has been passed by both the House and the Senate goes to the Governor for signature. The Governor may choose to sign or veto the bill. If the bill contains an appropriation, the Governor may veto portions if she wishes (*line-item veto*); if it does not, she may only veto the entire bill. If vetoed, 2/3 of the House and 2/3 of the Senate must vote in favor of the bill in order to override the veto. If the veto override fails, the bill dies.

Most bills do not reach the Governor's desk before the Legislature adjourns. The Governor has 20 days following the close of the session to sign, veto, or fail to sign (*pocket veto*) any bill that he or she did not act on during the session. In New Mexico, very few bills make it all the way to enactment. The historic trend in New Mexico is for more and more introductions each succeeding session.

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## General Abbreviation Codes

HB – House Bill  
HCR – House Concurrent Resolution  
HJR – House Joint Resolution  
HJM – House Joint Memorial  
HM – House Memorial  
SB – Senate Bill  
SCR – Senate Concurrent Resolution  
SJR – Senate Joint Resolution  
SJM – Senate Joint Memorial  
SM – Senate Memorial  
\* - Contains Emergency Clause  
CA – Constitutional Amendment

## **House Committees**

HAFC – Appropriations and Finance  
HAGC – Agriculture and Water Resources  
HCEDC – Commerce and Economic Development  
HCPAC – Consumer and Public Affairs  
HCW – Committee of the Whole  
HEC – Education  
HENRC – Energy, Environment and Natural Resources  
HHHC – Health and Human Services  
HJC – Judiciary  
HLLC – Local Government, Land Grants and Cultural Affairs  
HLVMC – Labor, Veterans' and Military Affairs  
HRC – Rules and Order of Business  
HSEIC – State Government, Elections & Indian Affairs  
HTPWC – Transportation, Public Works & Capital Improvements  
HTRC – Taxation and Revenue

## **Senate Committees**

SCC – Committee's Committee  
SCONC – Conservation  
SCW – Committee of the Whole  
SEC – Education  
SFC – Finance  
SHPAC – Health and Public Affairs  
SIRC – Indian, Rural and Cultural Affairs  
SJC – Judiciary  
SRC – Rules  
STBTC – Tax, Business and Transportation