



*New Mexico Municipal League*

## LEGISLATIVE BULLETIN

VOL. 2025-1

January 24, 2025

The First Session of the 57th Legislature opened on January 21. For the fourth year in a row, the Legislature convenes with record revenues, totaling an estimated \$13.6 billion. Topics likely to dominate the session include crime and public safety, clean energy, behavioral health, and child welfare reform. Municipal League priorities for the 60-day session focus on clarifying and modernizing the Inspection of Public Records Act (IPRA), updating the state's Municipal Code, amplifying the impact of Emergency Medical Services (EMS) funding, and increasing funding for municipal water infrastructure.

**Budget Outlook.** The state projects record general fund revenue for a fourth consecutive year, primarily a result of continued record oil and gas productions, along with secondary factors including inflation, strong demand for employment, and wage growth. Recurring general fund revenues are projected to reach \$13.6 billion in Fiscal Year 2026, which represents almost \$900 million of “new money.” However, revenue growth is plateauing with FY25 revenue expected to grow 1.6 percent, 2.6 percent in FY26, and a projected 3 percent in FY27. The current revenue growth environment is notably different from the one seen a few years ago when revenue growth was around 20 percent in FY22 and FY23. The moderating revenue growth reflects slowing oil production growth and moderate oil prices, along with wages and employment growth returning to prepandemic trends.

Both the Executive and Legislative Finance Committee (LFC) budgets approach \$11 billion in recurring general fund spending, with the LFC budget recommending a 5.7 percent increase from last year, at \$10.8 billion, and the Executive budget recommending a \$10.9 billion budget, a 7 percent increase. The

### Key legislative session dates:

Opening day (noon): *January 21*  
Deadline for introduction: *February 20*  
Session ends (noon): *March 22*  
Legislation not acted upon by governor is pocket vetoed: *April 11*

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 5 for a summary of how legislation is passed in New Mexico.

LFC budget maintains general fund reserves at 33 percent of proposed spending, while the Executive budget keeps general fund reserves at 30 percent.

The LFC budget continues a focus on improving “quality of life” for New Mexicans and setting up long-term investments for the state. LFC is proposing an average 4 percent raise for state employees and educators, \$56 million in increased funding for public education through changes to the state’s public school funding formula, \$222 million for the water project fund, and \$3 billion in non-recurring appropriations to invest in projects such as \$50 million for regional recreation centers, \$350 million for transportation projects, and \$1.7 billion in transfers to endowments and other funds. Additional funding (\$79 million) is earmarked for the Health Care Authority, mostly for the Medicaid program, and for the Government Results and Opportunity (GRO) fund (\$600 million) created in the 2024 legislative session for three-year demonstration projects.

Priorities in the Executive budget include a total of \$300 million for both road construction and maintenance, \$75 million for the “Strategic Water Supply” to treat brackish water and oil and gas byproducts, \$45 million to expand pre-kindergarten slots, \$50 million to support rural health care providers and facilities, and \$100 million for behavioral health expansion.

**Legislative and Executive Priorities.** In addition to passing a state budget, top issues in the 60-day session include crime reduction and public safety proposals, clean energy initiatives, addressing housing affordability, behavioral health expansion, and child welfare reform including a comprehensive package endorsed by the LFC. In a 60-day session lawmakers can consider bills on any topic, unlike in 30-day sessions when bills must be either budget-related or at the Governor’s call.

## **League Priority Legislation**

The League is supporting several key bills in the 2025 legislative session (these bills do not have bill numbers yet):

**Modernizing the Inspection of Public Records Act (IPRA) through statutory updates.** This House bill, adds a statutory notice provision, requiring that public bodies be notified of alleged violations before legal action is taken and allowing them to address the issue within 15 business days, similar to the required notice provision in the Open Meetings Act. A two-year statute of limitations for filing complaints related to IPRA violations is also added, along with allowing records custodians to impose fees for record requests for commercial purposes. Finally, the bill establishes a committee to study the feasibility of an administrative appeals process to resolve IPRA disputes efficiently, avoiding costly litigation where feasible, and providing clear guidance to records custodians.

**Updating the state’s Municipal Code in matters related to the roles of mayors and councilors in mayor-council forms of government.** The Municipal League supports long-term modernization of the state’s Municipal Code, which has seen minimal updates since its inception in 1978, to reflect the current needs and challenges of municipalities. Recommended changes for 2025 are intended to address clarification on 1) Powers, role and responsibilities of governing bodies, including clarification on filling appointive offices and employment/personnel matters, 2) procedures for cross-commissioning of police

officers by governing bodies in times of crisis or increased need, 3) organization and voting procedures to provide more specificity about quorums, voting, and recusal/abstention, and 4) additional clarity on filling of vacancies for appointed and elected roles. The updates are intended to provide clear operational guidance to municipal elected officials and staff and align the Municipal Code with current governance practices and other sections of law.

**Allow bonding of Emergency Medical Services Act (EMS) fund revenues.** This Senate Bill enables local EMS departments to pledge EMS Fund revenues for debt service to purchase emergency vehicles, mirroring the Fire Protection Fund. EMS funding increased significantly with the passage of SB 151 in 2024, increasing revenues for the EMS Fund from nearly \$3 million annually to approximately \$14 million, providing critical funding for EMS training, equipment, and other needs. EMS capital costs are very high and increasing, often making it cost-prohibitive for smaller local governments to purchase vehicles and equipment outright. As an example, ambulances often cost over \$250,000. The bill allows recipients of EMS Fund monies to pledge those funds for debt service through the New Mexico Finance Authority's Public Project Revolving Fund (PPRF).

### **Other Bills of Note**

- **House Bill 2 includes \$222 million in General Fund revenues for the Water Project Fund.** The Water Trust Board received a significant volume of applications for FY26, many from municipalities. Currently, there is not enough money available in the Water Project Fund to award to all the vetted projects, leaving many eligible projects without funding. The League supports the \$222 million appropriation, which would be available to fund 2025 and 2026 projects.
- **Senate Bill 7 authorizes municipalities to acquire, operate, and maintain a municipal utility for storm water.** SB7 also allows municipalities to impose a fee for storm water service. The bill provides additional flexibility for municipalities to fund operation and maintenance of stormwater facilities. Adding stormwater to the definition of a municipal utility has been an NMML resolution for the past several years, and the League will take a position of support on SB7.
- **House Bill 11 establishes a Paid Family and Medical Leave benefit for most public and private employees in the state.** HB11 establishes a fund that both employees and employers must pay into. Employee contributions are 0.5 percent of wages and employer contributions are 0.4 percent of wages. The bill is very similar to previous years' PFML legislation. Initially, the leave period would be a maximum of nine weeks, with a potential increase to 12 weeks after 2028. The Municipal League is not taking a position on HB11.
- **House Bill 128 establishes the Local Solar Access Fund to provide grants to municipalities, counties, and other entities for solar energy systems** through the New Mexico Finance Authority. The bill proposes \$60 million for the Fund. The League supports HB128, which would help ensure the reliability and security of critical infrastructure like water and wastewater facilities. These projects would also help member municipalities reduce high electricity bills, freeing up funding for other community priorities,

- **The League has flagged several preemption bills in areas including permitting and zoning, public safety, and others.** The League is communicating concerns to legislators about bills that would infringe on local governance and decision-making. We will monitor preemption legislation that comes up and let you know about any concerning bills that appear to be getting traction.

## Other Substantive Legislation

The League tracks bills with potential impacts on municipalities. **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