

NEW MEXICO
MUNICIPAL LEAGUE

The Municipal Reporter

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Summer 2025



Ski Resort located in the Sandia Mountains



New Mexico Municipal League



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Summer 2025

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As I write this, the Village of Ruidoso is experiencing one of the most challenging times in our history. The devastating flooding we've experienced in recent weeks – on top of the flooding we saw last year in the wake of the South Fork and Salt Fires – has tested our infrastructure, our emergency systems, and our resolve, but it has also underscored that the strength of a community lies in how it responds to adversity, and I can proudly say that Ruidoso has responded capably and courageously.

We've had to make hard decisions quickly and have leaned heavily on our employees and our community. Our first responders, utility crews, and other public employees have worked around the clock. We've seen incredible support from communities across the state, state and federal officials, and of course, our own residents.



What has helped us navigate this crisis is a culture that prioritizes preparedness. In Ruidoso, emergency management isn't a document sitting on a shelf – it's part of how we operate every day. We've spent years investing in the people, plans, and partnerships necessary to respond when disaster arrives. Those investments paid off when it mattered most. And I know many of you across the state are building that same kind of resilience in your communities.

We know that recovery will take time and resources. But I remain hopeful, because I've seen the best of what local government offers – on-the-ground expertise, an ability to adapt and pivot when needed, and most importantly, a deep commitment to the community. I want to thank all of you who have reached out, offered assistance, or simply held us in your thoughts.

Looking forward, I'm excited to invite you all to this year's Annual Conference, hosted right here in Ruidoso in September. It may seem bittersweet, but I believe there is no better time to come together. Our community is eager to welcome you, and we are eager to connect with our friends and partners from around the state. We'll reflect on what we've learned, explore how we build more resilient communities, and continue the important work of strengthening municipal leadership statewide. In particular, we look forward to hosting a workshop to share our experiences in preparing for, responding to, and recovering from, fires and floods and we want to learn from other communities as well. You can find more details about the conference, as well as a registration link, in this newsletter.

Thank you for all that you do for your communities and for the League. I look forward to seeing you in Ruidoso.

Lynn Crawford

Mayor, Village of Ruidoso

NMML President

Municipal League News & Events

Get Ready to Ignite, Connect, and Celebrate!
Join us at the 68th NMML Annual Conference



September 17–19, 2025 | Ruidoso Convention Center

Whether you're a returning attendee or new to the NMML community, this year's Annual Conference in scenic Ruidoso is an experience you don't want to miss! Here's why:

High-Energy Keynotes & Workshops

- **Unleash the Rockstar Within** with Mark Kamp, an electrifying speaker who will energize your mindset and amplify your team's performance.
- **Deep-dive sessions** including:
 - o Fire & Flood Recovery in Ruidoso
 - o Police Litigation Trends with Bruce Praet
 - o Workplace Etiquette, Economic Mobility, and more
- Plus a **Breakout Jam Session** that's all about dreaming big and achieving results without burnout.
- Close out with inspiration from Scott Paine's **"Be the Light"**

Dynamic Networking & Industry Insights

- Connect during **Subsection Meetings** and the **Vendor Stroll**
- Collaborate with peers, municipal leaders, and experts from across New Mexico
- Learn best practices on working with consulting engineers and creating programs to empower your community

Immersive Activities in Ruidoso

- **Glow Disc Golf & Movie Night, Fun Run/Walk**, and optional **Golf Outing** at The Links
- Explore historic Lincoln, Ft. Stanton, Smokey Bear Park, and indulge in wine tastings, art, and culture through spouse programs
- Wind down with unforgettable events like the **Wild West Night at Wingfield Park** and the elegant Derby Dinner at the Ruidoso Jockey Club

Secure Your Spot Now! Early registration opens soon.

UPCOMING EVENTS

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

August 14

**Municipal Attorneys Association Summer CLE
Santa Fe**

September 16

**City Managers Association Meeting
Ruidoso**

September 17-19

**Municipal League Annual Conference
Ruidoso**

September 25-28

**New Mexico Fire Service Conference
Ruidoso**

October 3

**NMML Board of Directors Meeting
Santa Fe**

October 14-16

**League of Zoning Officials Meeting
Red River**

October 20-24

**Clerks Certification Institute &
Master Municipal Clerks Academy
Ruidoso**

November 5-7

**New Mexico Law Enforcement Conference
Ruidoso**

Mark your calendar and get ready to
Learn, Lead, and Celebrate Together.

REGISTER NOW!

Let's make this the most memorable NMML Conference yet!

<https://nmml.org/Calendar.aspx>



NM FIRE SERVICE CONFERENCE REMINDER/PROGRAM UPDATE!



Conference Speakers:
Rachel Marquez
Tom Aurnhammer
Mike & Ann Gagliano
Tom Merrill
NMML Staff

Unfortunately, Paul Combs is unable to join us this year.

Membership & Voting:
Elections will take place on Saturday, Sept. 27th. You must be a paid member to vote. Check your membership status [here](#). Submit an [application](#) or contact Jackie at jportillo@nmml.org.

[Click here](#) for Conference information and revised Program-at-a-Glance or visit: nmml.org, click on Event Calendar, view all events, and scroll to September.

Ruidoso Convention Center - September 25-28, 2025

Municipal League Policy Committee Meets to Advance 2026 Legislative Priorities

On July 2, members of the New Mexico Municipal League's Policy Committee convened in Albuquerque to review and consider legislative priorities for the upcoming 2026 legislative session. The meeting provided a forum for members and League staff to present and discuss proposed initiatives addressing critical municipal issues across the state.

Policy Committee members heard presentations on a range of proposals, including those submitted by member municipalities, as well as staff-developed recommendations. After discussion, members voted to adopt several proposals as priorities for the 2025 session. These included:

- **Local Revenue Sharing** – The Policy Committee endorsed a concept to explore opportunities for local governments to share in the state's record-setting general fund revenues. The League will work on

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refining this proposal to ensure that any future structure takes into account the needs of smaller communities with more limited tax bases.

- **New Mexico Land Banking Act** – Committee members supported forming a working group to explore drafting legislation for the 2027 session. This is anticipated to be a multi-year effort.
- **Expand Investment Authority** – The proposal recommends amending state statute to allow all municipalities to invest public funds with the State Investment Council.
- **Water and Wastewater Infrastructure Funding** – This proposal calls for continued investments in the Water Project Fund to help close the \$1.2 billion gap in needed but unfunded municipal water infrastructure projects across the state.
- **Law Enforcement Recruitment and Retention** – Staff recommend exploring legislative solutions to help municipalities address critical staffing shortages in police departments statewide, including efforts to build workforce pipelines and improve officer compensation.

These priorities will help guide NMML's advocacy work through the fall and into the legislative session, ensuring the League remains focused on issues that are relevant and actionable.

Next Steps: Call for New Proposals

Member municipalities and subsections have one more opportunity to submit new policy proposals or amendments to the League's Statement of Municipal Policy. Submissions should meet the following criteria:

- **Shared Interest** – The proposal should be broadly relevant to NM municipalities.
- **Consensus** – The proposal should have substantial support among League members.
- **Targeted Legislative Change** – The proposal should propose a clear legislative action.
- **Germane** – The 2026 30-day Legislative Session is limited to budgetary matters and those items placed on the Governor's agenda, or "call," so proposals should be reflective of this (*proposals that are not germane may be adopted for potential action in the following, 60-day session*).

To submit a new proposal:

1. Municipal proposals must include a resolution adopted by the governing body; subsection proposals require a majority vote of subsection members.
2. Complete and submit the Policy Proposal Submittal Form to policy@nmml.org by **September 5, 2025**.
3. Include meeting minutes documenting adoption or subsection vote.

New submissions will be reviewed by the Resolutions Committee on **September 17** during the NMML Annual Conference. Proposals approved by both committees will be presented for final adoption at the **Annual Business Meeting on September 18**.

For questions or assistance with your proposal, contact Alison Nichols at anichols@nmml.org or Rebecca Martinez at rmartinez@nmml.org.



Municipal Court Clerks Association Recognizes Outstanding Service

The Municipal Court Clerks Association (MCCA) began awarding the Court Clerk of the Year designation in 1997 to recognize and celebrate the achievements of court clerks. Each year, a court clerk who has risen above the basic duties of their role by serving their community, advancing their profession, and/or significantly contributing to the objectives of the MCCA is the recipient of the award. Nominations are submitted by municipal judges, governing body members, managers, or other leaders within their organization, and are reviewed and scored based on a point criterion.

On July 24, at the Annual Municipal Court Clerks Conference in Albuquerque, Margarita Smith, Court Administrator/Alternate Judge for the City of Clovis, was selected as the 20th Court Clerk of the Year. Smith was nominated by City of Clovis Municipal Judge Vicki Kelley. Smith has been a Court Clerk for over 20 years and was appointed as Alternate Municipal Judge in 2022. She has served on the safety and moral committees for the City of Clovis and was the recipient of the Distinguished Employee of the Quarter in 2023. Smith's contributions to the



Margarita Smith of Clovis (center) receives the Court Clerk of the Year award, joined by Vivian Lueras of Tularosa, Renee Martinez of Questa/Red River, Juanita McNiel of Los Alamos, and Vicki Kelley of Clovis

profession of court clerk include serving as officer of the association, volunteering time to the education committee, training on a variety of topics, and being a mentor, ready and willing to lend a helping hand to court clerks across the state.

Reminder: NMSIF Members Have Free Access to Online Learning and Policy Management Tools for Municipal Employees, Law Enforcement Departments

The New Mexico Self-Insurers' Fund has contracted with Lexipol, a company that provides comprehensive solutions for public safety and other local government agencies that include policy, online learning, wellness resources, grant services, and industry news sites.

Through NMSIF's contract with Lexipol, Fund member police departments have access to **customizable, state-specific law enforcement policies** that are automatically updated in response to state and federal law changes and court decisions. Lexipol also offers an **online training platform** designed to meet law enforcement training requirements. These tools will make it simpler for municipal police departments to keep policies up to date and in compliance with state and federal law.



Through Lexipol, members also have access to LocalGovU, an innovative **online learning solution with over 3,300 online courses** for public entities covering topics such as customer service, health and wellness, human resources development, and more. The course content is designed to help public entities reduce liability and manage risk through high-quality training.

For questions, or to get access to Lexipol/LocalGovU tools, please contact Tim Johnson (tjohnson@nmsif.org) for law enforcement policy management, or Erica Olguin (eolguin@nmsif.org) for online learning.

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Plugged In: Lessons from 18 Months of EV Fleet Testing

By Tim Johnson, Public Safety Director

The electric vehicle (EV) transition is in full swing across the U.S., but in New Mexico, the path forward is still dotted with gaps in charging infrastructure, consumer uncertainties, and rapidly changing federal policies. Municipalities considering electric trucks like the Ford F-150 Lightning face both the promise and the practical hurdles of fleet electrification.

I accepted the guinea pig role at the New Mexico Municipal League to drive and test our Ford F-150 Lightning. The goal of said project was to determine if electric trucks would be a wise purchase by our member local governments. My 18-month assessment is captured in this article.

Infrastructure, Charging, and Cost: What the Data Shows

The Charging Landscape in New Mexico

Our state has made some strides in building its EV infrastructure, but it remains a work in progress. As of mid-2025, there are approximately 128 DC fast charging stations scattered across the state, offering about 859 ports. These stations are mostly clustered along major corridors – I-10, I-25, and I-40 – and in urban centers like Albuquerque, Santa Fe, and Las Cruces. Rural communities, however, are still underserved, with many having only one or no fast chargers at all.



In contrast, New Mexico boasts nearly 1,500 gas stations, with some counties like Bernalillo hosting over 270 on their own. This disparity underscores the logistical reality EV drivers face: unlike gas-powered vehicles, which can refuel almost anywhere in minutes, EV drivers – especially those in rural areas – must plan carefully around limited infrastructure.

One area is Rio Rancho (where I live), which has Level 2 chargers but no public DC fast charging stations. Nearby Santa Fe does offer fast charging, including Electrify America and ChargePoint stations, but the corridor between the two cities lacks robust fast-charging coverage.

Charging Times & Ownership Economics

Charging times for the Ford F-150 Lightning vary widely depending on the equipment used:

- Level 1 (120V): Up to 100 hours for a full charge.
- Level 2 (240V, Home): 8–17 hours, depending on amperage and battery size.
- DC Fast Charging (150 kW+): 15–80% in ~41 minutes, or ~70–90 minutes for a full charge.

These numbers highlight the convenience of home charging, where most Lightning owners plug in overnight. But for long trips, fast-charging gaps mean longer downtimes and planning challenges, especially in New Mexico, where infrastructure is still developing.

On the flip side, cost per mile is where EVs shine. Charging at home in New Mexico, where electricity rates average \$0.13–\$0.15/kWh, results in costs as low as \$0.06/mile for a Lightning. Comparatively, a gas-powered F-150 (18 MPG at \$3.70/gal) costs ~\$0.21/mile—making home-charged EVs 3–4x more efficient in fuel costs. However, charging on the go via DC fast chargers (~\$0.45–\$0.55/kWh) can bring costs close to, or even above, gasoline. Also keep in mind that EVs cost roughly 25–40 percent less to maintain than comparable gas vehicles over their lifespan.

Installing a Home Charger: Costs and Incentives

Installing a Level 2 charger at home in our state typically costs between \$1,100–\$1,300, though upgrades (like panel replacements) can bring the total closer to \$2,500. However, generous rebates and credits have historically offset much of this:

- Federal tax credit: 30% of cost, up to \$1,000 (Form 8911)
- State rebates: Up to \$1,500
- PNM and EPE utility rebates: Between \$2,000–\$4,250

Combined, these incentives often reduce net out-of-pocket costs to near zero, making home installation accessible for many. But this financial landscape is shifting.

Policy Shakeup: “One Big Beautiful Bill” Rewrites the Rules

The newly passed One Big Beautiful Bill (OBBB) in July 2025 has accelerated the expiration of several EV-related incentives:

- Home EV charger tax credit (Section 30C) will now expire June 30, 2026.
- New EV purchase credit (Section 30D) and used EV credit (Section 25E) will end September 30, 2025—a full seven years earlier than previously planned under the Inflation Reduction Act.

This change means municipalities looking to buy an EV or install a charger need to act fast. After these deadlines, federal support will disappear, unless Congress passes a replacement program.

The Road Ahead

For New Mexico residents, owning a Ford Lightning offers long-term economic and environmental benefits, especially for those with access to home charging. But the reality of limited public infrastructure, particularly outside urban areas, makes planning and patience essential.

With generous but temporary rebates still in effect, the next 12–15 months may be the best time to invest in EV ownership and charging upgrades. As infrastructure expands and vehicle prices come down, the EV equation will only improve – but for now, the benefits come with caveats.

Behind the Wheel

As mentioned, our test vehicle was a Ford F-150 Lightning equipped with an “extended range battery” – quotation marks used here with a touch of sarcasm. Based on my understanding, this should have provided a range of up to 320 miles on a full charge. Thanks to my Roswell Independent School District education, I’m confident in my basic math skills. However, after 18 months of testing this vehicle, I’ve come to learn that “EV math” is a subject I never studied.

By conventional math, 320 miles minus 112 miles should leave 208 miles. But in the world of EVs, it often equals about 40 miles, más o menos – depending on variables like speed, use of climate control, and

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terrain. The result of this discrepancy is something many EV drivers know all too well: Range Anxiety. Unlike with gas-powered vehicles, if you fully deplete the battery, the only option is likely a tow. To support the use of the test vehicle, the New Mexico Municipal League installed a Level II charger at the Santa Fe office. I found that it typically took between 7 to 9 hours to fully recharge the truck after just 112 miles of driving. When I needed to use the vehicle during the daily charging window, I often had to rely on a nearby public DC fast charger just to make it home.

Municipal Takeaways

Municipalities considering EVs for their fleets should carefully assess how and where the vehicles will be used. For in-town operations with predictable routes, such as parks and recreation, code enforcement, or utility crews, where vehicles can be regularly charged at a fleet yard, electric trucks like the Ford F-150 Lightning may be a cost-effective and practical solution. However, for employees who use vehicles for longer-distance commuting, regional travel, or field work in remote areas, an electric truck may not yet be the best fit. Understanding duty cycles, daily mileage needs, and charging logistics is critical before making an investment in electrification. Some other EVs on the market – including sedans and crossovers – offer longer and/or more predictable range and may better suit certain municipal needs.



Also be aware of the driving experience these vehicles offer. The power and acceleration can be exhilarating, but they should only be entrusted to responsible personnel. While the performance certainly makes for some fun drives, it can also introduce potential liability, both for drivers and others on the road.

Electric vehicles are undeniably the future of the automotive industry. That much is clear. EV technology is advancing rapidly and will eventually become standard for a host of economic, environmental, and regulatory reasons. However, in my humble opinion, we are not quite there yet for widespread municipal fleet adoption. Two major barriers remain:

1. A lack of accessible and reliable fast-charging infrastructure
2. The limited availability of long-range battery technology

Has your municipality started to electrify its fleet? If so, we'd love to hear about your experience – what's working, what's challenging, and what lessons you've learned. If you have questions about the Ford F-150 Lightning, please reach out!

By Your Side: Before, During & After a Natural Disaster

This article was originally published in Summer 2024 and updated Summer 2025

The New Mexico Municipal League (NMML) and the New Mexico Self Insurers' Fund (NMSIF) play a pivotal role in supporting their member cities, towns, and villages during emergencies by providing coordination, resources, and advocacy. Here are several ways the NMML/NMSIF has assisted members:

Coordination and Information Sharing

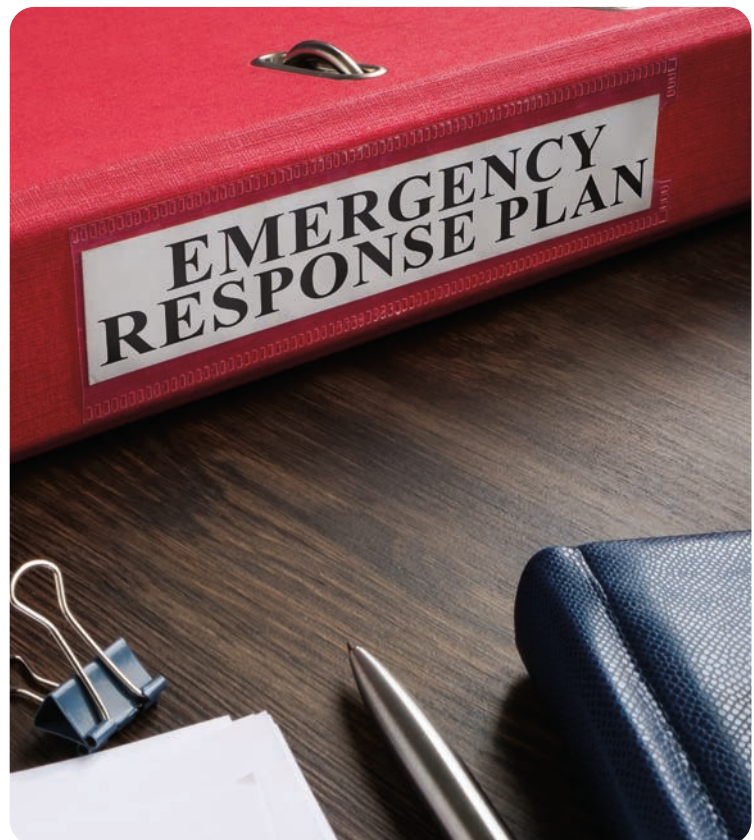
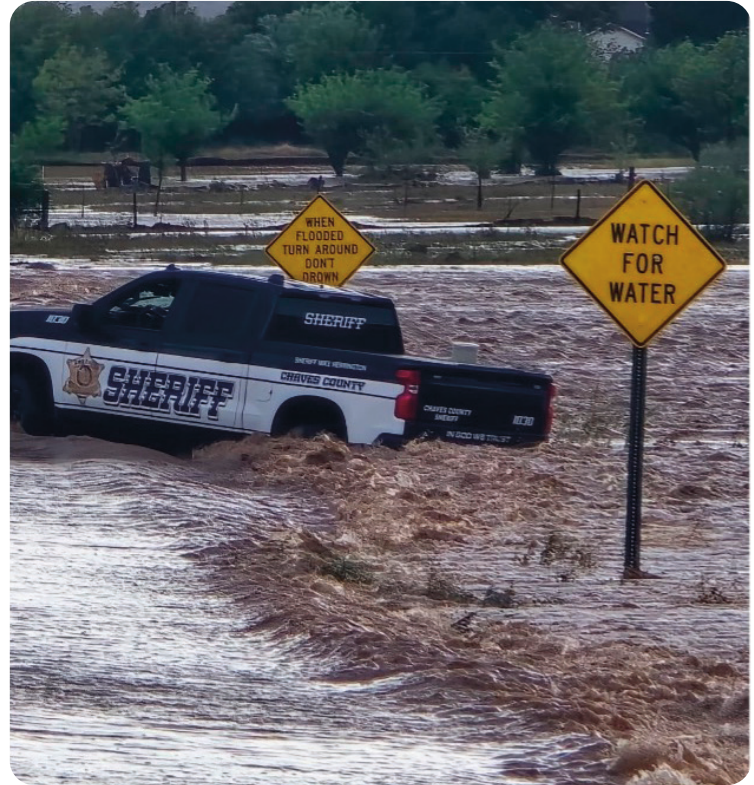
NMML acts as a central hub for disseminating critical information and coordinating efforts among member municipalities. We can provide platforms for sharing best practices, lessons learned from past disasters, and up-to-date information on emergency protocols and response strategies. This ensures that all member municipalities have access to essential resources and are well-prepared to respond effectively during emergencies.

Training and Capacity Building

NMML offers training programs, workshops, and tabletop exercises designed to enhance the emergency preparedness and response capabilities of member municipalities. These sessions cover topics such as incident command systems, crisis communication strategies, disaster recovery planning, and the utilization of available resources. By investing in the professional development of local government officials and emergency responders, NMML strengthens overall resilience across our membership.

Advocacy and Representation

During emergencies, NMML advocates on behalf of our member municipalities at state and federal levels to secure additional resources, funding, and legislative support. We serve as a unified voice, lobbying for policies that enhance disaster preparedness, streamline emergency response procedures, and ensure equitable distribution of disaster relief funds. By leveraging our collective voices, the League amplifies the needs and priorities of local governments in the aftermath of disasters.



Emergency Response

Resource Mobilization

NMML facilitates resource mobilization by connecting member municipalities with state and federal agencies, non-profit organizations, and private sector partners that can provide assistance during emergencies. This includes access to mutual aid agreements, emergency equipment and supplies, volunteer networks, and technical expertise. By fostering partnerships and collaborations, we strengthen the resilience and recovery capabilities of member municipalities.

Technology Tools

Drone Capability. NMSIF now offers drone operations to assist member municipalities with aerial surveillance and real-time situational awareness, with a staff member certified as a drone operator. Drones can be deployed to assess damage after a natural disaster, survey hard-to-access areas, and provide documentation for insurance claims.

EarthDaily Satellite and GIS Mapping Services. NMSIF has partnered with EarthDaily, with access to high-resolution satellite and GIS mapping capabilities. These services provide information about fire, flood, hail and other risks, enable assessment of pre- and post-disaster conditions, and support hazard mitigation planning. Critically, EarthDaily also enables NMSIF to notify members when their properties have been exposed to specific weather events, such as high wind speeds or hail, helping jumpstart internal assessments, insurance claims, and recovery efforts.



Post-Disaster Recovery Assistance

Following a disaster, NMML provides ongoing support to member municipalities in navigating the complexities of recovery and rebuilding. This includes technical assistance in assessing damage, securing disaster relief funding, navigating insurance claims, and developing long-term recovery plans.

NMML/NMSIF is here to help our members with emergency preparedness, response, and recovery. Through coordination, training, advocacy, resource mobilization, and post-disaster assistance, NMML/NMSIF can help strengthen community resilience and empower local governments to effectively mitigate, respond to, and recover from emergencies.

Please reach out to us with any questions on emergency preparedness and response, or to request support.

Board Chair's Update

Linda Calhoun, NMSIF Board Chair, Mayor, Town of Red River

As summer winds down, I want to take a moment to highlight a few important developments at the New Mexico Self-Insurers' Fund and encourage all of our members to take full advantage of the tools and services available to you.

Claims prevention through loss control. Whether you represent a police department, the public works department, your municipality's administrative staff, or the city as a whole, your first line of defense is prevention. That's why loss control remains one of the most important, and fastest-growing, components of the Fund. Through our partnership with Lexipol, we are now offering tools for law enforcement policy management, police and fire-specific training, and general employee development. Resources like the Knowledge Management System (for police policies), LocalGovU, PoliceOne Academy, and FireRescue1 Academy are available now to help you protect your workforce and reduce your liability risks. If your city or department hasn't yet taken advantage of these tools, now is the time to get started.

Premium release timelines. In response to member needs, the Fund has moved up its annual premium release date. This change ensures that members have more time to review and prepare for annual renewals and reflects our ongoing commitment to being responsive to your needs. We are hopeful these changes will lead to a smoother and more predictable renewal process for everyone involved. *See more details on the updated timeline below.*

See you in Ruidoso! Our team is looking forward to seeing many of you at the Municipal League's Annual Conference in Ruidoso – as am I! The conference is always a valuable opportunity to connect, learn, and collaborate on the challenges we face and the solutions we're developing together. We'll have tables set up to showcase some of NMSIF's loss control tools, so be sure to stop by or catch staff or board members during the event – we'd love to hear from you.

As always, I appreciate your continued partnership and trust in the Self-Insurers' Fund. Together, we're building safer, stronger communities across New Mexico.

New Tools, Better Service, and Strengthened Risk Management

At this writing, severe, **periodic flooding continues in Ruidoso and Ruidoso Downs.** The New Mexico Self Insurers' Fund is in contact with those cities' leadership teams to address any claims to buildings, vehicles and infrastructure to coordinate repair and recovery efforts. Please keep our fellow members in mind as they manage their respective recovery efforts and keep their citizens and visitors safe.

The Earth Daily geospatial platform is moving into another phase of development to provide additional real time services for Member insureds. The platform currently identifies building locations by latitude and longitude with construction attributes and flood, hail and wildfire zones; plots historical flood and wildfire events; overlays city limits, national and state forest boundaries limits, dam locations, defensible spaces, and other information. These data sets add valuable background and insights to our property underwriting methods and annual reinsurance submissions. We are also developing a more robust, real-time service in EarthDaily: email and SMS notifications of weather events that could impact specific buildings. In addition to emails sent to members indicating listed buildings that experience high winds, large hail, excessive winds, and rainfall, the platform will soon have the capability to issue text/SMS messages to members who subscribe to the service. While the service is not a replacement for weather watches and warnings issued by local and state agencies and the National Weather Service, the notices may provide additional notice to secure and protect buildings and vehicles and to check for roof and vehicle damage following weather events. We encourage you to subscribe to this text/SMS notification service when it is available.

To accommodate the timing and budgeting process of Member Insureds, **the Fund will release FY27 Renewal Proposals by December 31, 2025.** The proposals will include premiums for core Property, Liability and Workers Compensation coverages; passthrough coverage premiums (Crime/Employee Dishonesty, Airport Liability, Storage Tank Pollution, Volunteer Firefighters-EMTs, Cyber Liability, Fine Arts) will be released at a later date, subject to quotes from the respective carriers.

For questions on EarthDaily tools, renewal timelines, or other Fund resources, please contact Allen Fugler (afugler@nmsif.org).

Local Impacts from Congress' One, Big, Beautiful Bill

The following article was originally published by the National League of Cities on its website.

On July 3, the House passed the Senate's version of the One, Big, Beautiful Bill Act (H.R. 1) in a vote of 218-214. This followed the Senate's passage on July 1 by a vote of 51-50, with Vice President Vance casting the deciding vote. Ultimately, Sens. Tillis (R-NC), Paul (R-KY) and Collins (R-ME) and Reps. Fitzpatrick (R-PA) and Massie (R-KY) voted against the bill, along with every Democrat and Independent. President Trump signed the bill into law on July 4.

Key Takeaways

- Key outreach from local leaders across the country produced several local government wins, including the preservation of tax-exemption on municipal bonds, a temporary raise to the SALT deduction and improved incentives for private investment in underserved communities.
- The bill rescinds a substantial amount of funding from the U.S. Department of Transportation Neighborhood Access and Equity grants, as well as unobligated funding from several emissions reduction grants under the U.S. Environmental Protection Agency.
- The bill maintains the direct pay mechanism created through the Inflation Reduction Act, it accelerates the phase out of tax credits for solar and wind projects and adds new requirements around supply chain components that will likely limit the ability of local governments to take advantage of the direct pay program.
- Significant cuts were made to social safety net programs, including \$186 billion through 2034 for the Supplemental Nutrition Assistance Program (SNAP) and \$1 trillion from Medicaid.
- The bill significantly expands federal immigration enforcement capacity while providing targeted funding to support local public safety and security efforts related to the 2026 FIFA World Cup and the 2028 Olympics, including \$500 million to enhance local capabilities for detecting threats from unmanned aerial systems. The latest estimates from the Congressional Budget Office (CBO) state that the "bill would decrease deficits by \$0.4 trillion, relative to the budget enforcement baseline for consideration in the Senate. Compared with CBO's January 2025 baseline budget projections, it would increase deficits over the 2025-2034 period by \$3.4 trillion."

NLC Releases 2025 State of the Cities Report

The National League of Cities has released its 2025 State of the Cities report, highlighting key trends, challenges, and innovations shaping communities across the country. The report draws on surveys of mayors as well as mayoral addresses from cities of all sizes and offers insights on housing, public safety, infrastructure, and more.

Access the full report at:

nlc.org/resource/state-of-the-cities-2025



Here is a look at key provisions from the final bill that will impact local governments.

Support for Local Governments

1. **Municipal Bonds:** While there was discussion about using the tax-exemption on municipal bonds as a “pay for,” the final bill preserved both the tax-exemption on municipal bonds and private activity bonds. This top priority for NLC is a critical financial win for cities, towns and villages across America.
2. **SALT:** The bill temporarily raised the State and Local Tax (SALT) deduction cap from \$10,000 to \$40,000 with phaseouts starting for households earning over \$500,000. The cap will increase by 1% annually through 2029. Starting in 2030, the cap will revert to \$10,000.
3. **Incentives for Private Investment in Housing, Community, and Economic Development:** The bill makes improvements to three federal programs that encourage private investment in underserved areas and households.
 - o The **Opportunity Zone program**, first launched in 2017, has been made permanent. The initial program, and its existing rules, will be replaced by an updated set of rules at the start of 2027. While there are several investor-side changes, some of the changes important to local governments include deeper targeting to economically distressed areas; an opportunity for Governors to re-designate opportunity zones every 10 years; enhanced investor incentives for projects in small and rural areas through Qualified Rural Opportunity Funds that target “areas other than a city or town with a population greater than 50,000”; and new reporting requirements that will enable the public, including local governments, to access more information on investments in their communities, including the location and amount of investment, and an analysis of the employment and housing impacts of Opportunity Zone projects.
 - o **The Low-Income Housing Tax Credit (LIHTC)** program will be permanently enhanced by authorizing a 12 percent credit allocation increase and lowering the bond financing threshold test to 25 percent. The permanence of these changes could drive additional investment to finance the production or preservation of approximately one million additional affordable rental homes over 10 years.
 - o **The New Markets Tax Credit (NMTC)** program was also made permanent. The program supports private investment in projects designed to create jobs and fill needs in underserved areas through Community Development Entities certified by the U.S. Treasury’s Community Development Financial Institutions Fund. Both the LIHTC and NMTC provisions were introduced as stand-alone bills that enjoyed broad bipartisan support before being incorporated into the One Big Beautiful Bill Act.
5. **State and Local Homeland Security Assistance:** The bill also increases funding for state and local governments. This includes \$10 billion in grants to reimburse states for prior border security efforts, \$500 million to improve local capabilities to detect threats from unmanned aerial systems, \$625 million for security planning related to the 2026 FIFA World Cup, and \$1 billion for the 2028 Olympics.

Additionally, the bill allocates \$450 million to the Operation Stonegarden grant program, which supports partnerships between local law enforcement agencies and Border Patrol. These funding streams may provide local governments with new resources to strengthen public safety, upgrade infrastructure and enhance emergency preparedness in coordination with federal operations.

Areas of Concern for Local Governments

1. **Transportation and Other Grants Clawed Back:** The bill rescinds a substantial amount of funding from the U.S. Department of Transportation Neighborhood Access and Equity grants, as well as unobligated funding from several emissions reduction grants under the U.S. Environmental Protection Agency. The original bill text repealed the authorization for these programs, but ultimately due to the Senate parliamentarian’s ruling, the programs are officially retained, but grantees lose any unobligated funding.

Several highway connectivity projects in multiple states, including TX, AL, UT, OH, ME and others, will not receive funding. It will be up to Congress to replace funding for these critical projects in the future, potentially in transportation reauthorization or appropriations.

Among the EPA grant rescissions that local governments are utilizing are:

- o Climate Pollution Reduction Grants, which consisted of regional planning and implementation grants.
- o Clean Heavy-duty Vehicles
- o Environmental Justice/Climate Grants, including the Government-to-Government and Community Change grants. Many communities received termination notices from EPA for this program, which is the subject of a pending class action lawsuit against EPA.

These programs were one-time funding under the Inflation Reduction Act. NLC analysis of USAspending data indicates that most local governments that won grants under these programs have obligated awards, indicating that there might be little funding to claw back from local governments depending on how “unobligated is defined”.

Additionally, Greenhouse Gas Reduction Fund not only sees unobligated funding clawed back in the final bill, but the underlying authorization for the program is also repealed. The program is also subject to ongoing litigation.

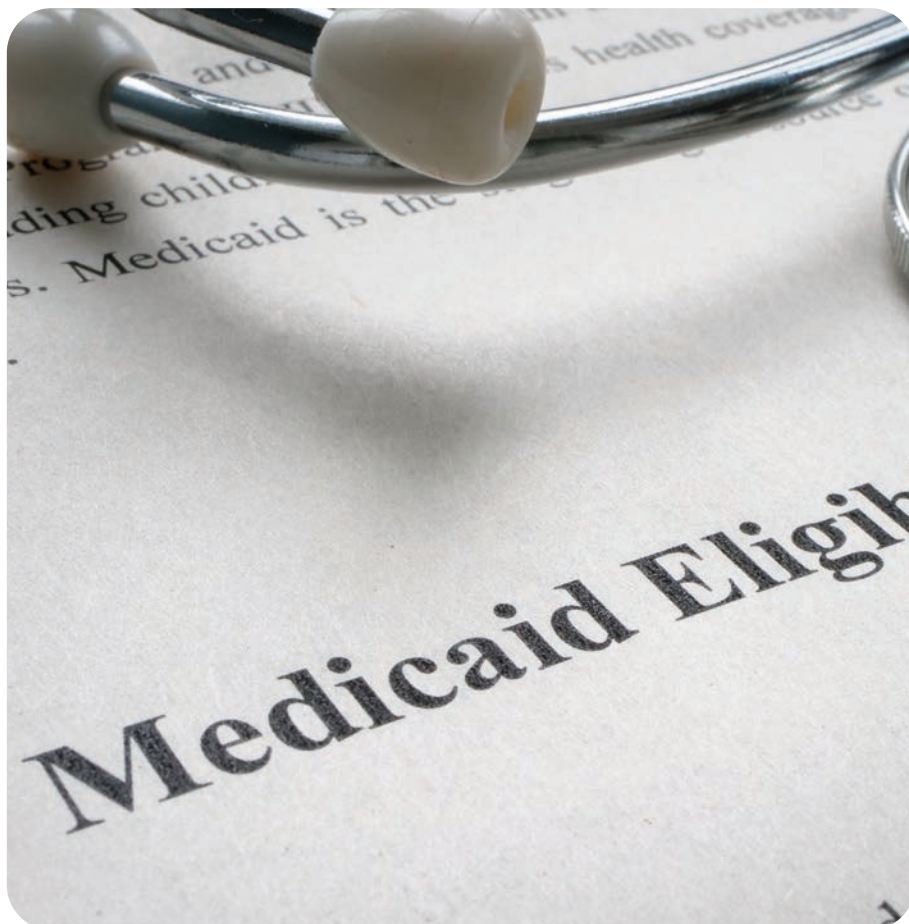
2. **Clean Energy Tax Credits:** While the final bill maintains the direct pay mechanism created through the Inflation Reduction Act, it accelerates the phase out of tax credits for solar and wind projects and adds new requirements around supply chain components that will likely limit the ability of local governments to take advantage of the direct pay program.
 - o For the Investment **Tax Credit (48E)** and **Production Tax Credit (45Y)**, the final bill retains the tax credit for **solar and wind projects** that begin construction within one year after enactment. For solar and wind projects that begin construction after that time, they must be placed in service by the end of 2027 in order to receive the tax credit.
 - o For other clean energy projects, such as **geothermal, hydropower, nuclear and battery storage**, the investment and production tax credits are retained through 2033 and then begin a phase out through 2036. *This is a longer time frame than originally provided through the IRA.*
 - o Supply chain requirements related to Foreign Entities of Concern will apply to 48E and 45Y projects that begin construction after Dec. 31, 2025.
 - o For **clean commercial vehicles (45W)**, the tax credit terminates for vehicles acquired after Sept. 30, 2025 and for **alternative fuel charging (30C)**, the tax credit terminates for property placed in service after June 30, 2026.
3. **SNAP Cuts:** The CBO’s latest cost estimate shows that the bill cuts federal funding for the Supplemental Nutrition Assistance Program (SNAP) by \$186 billion through 2034. The specific changes to SNAP include:
 - o Expanding the definition of able-bodied adults without dependents to include individuals up to age 64 (up from 54 currently) and individuals with children ages 14 and older. The Secretary may waive SNAP work requirements for areas with an unemployment rate over 10%, with an exemption for Alaska and Hawaii if their unemployment rate is at or greater than 1.5 times the national average.
 - o Limits SNAP eligibility to U.S. citizens or lawful permanent residents (green-card holders), removing eligibility for certain longstanding or humanitarian statuses apart from certain Cuban and Haitian nationals.

- o Limits the automatic application of the Standard Utility Allowance (SUA) based on receipt of \$20 or more from the Low-Income Home Energy Assistance Program (LIHEAP) and exclusion of utility assistance from countable income to elderly and disabled households. Households can also no longer include internet service costs when calculating their excess shelter deduction for SNAP benefits.

4. **Medicaid Cuts:** The CBO's latest cost estimate shows that the bill would reduce federal

Medicaid spending by \$1 trillion and increase the number of uninsured people by 11.8 million. Key impacts to local communities include:

- o Work requirements for able-bodied adults without dependents (80 hours per month) aged 19-64. Tribes, fully disabled veterans, parents or caregivers with children age 13 and under or of disabled individuals, pregnant women, former foster youth and those deemed "medically frail" or with special medical needs (including substance use disorder) are exempt. The Secretary may grant waivers to areas (including units of local government) with an unemployment rate of 8% or higher or 1.5 times the national average.
- o A rural hospital relief fund of \$50 billion, which was still \$50 billion less than requested by Senator Collins to offset the impact of Medicaid cuts on her state. This is, however, double the size of the previously amended text. The money is to be distributed over the course of five years, but the distribution dates were also pushed up two years, with \$10 billion in 2026, \$10 billion in 2027, \$10 billion in 2028, \$10 billion in 2029 and \$10 billion in 2030
- o Removal of several categories of "qualified aliens" who may become eligible for Medicaid under current law. This group includes refugees, asylees, certain abused spouses and children and victims of trafficking. Legal immigrants who would remain eligible include lawful permanent residents (after a five-year or longer waiting period), certain Cuban and Haitian immigrants and individuals living in the U.S. via a Compact of Free Association.



- o Incrementally lowering the allowable provider tax in Medicaid expansion states starting in 2028 (one year later than initially proposed) from the current 6 percent until it hits 3.5 percent in 2032. States without provider taxes upon enactment of the bill may not impose them. Non-expansion states with provider tax rates will have their “hold harmless” threshold capped at 6%.

For Awareness

1. **Federal Immigration Law Enforcement Personnel Surge:** The bill’s \$4.1 billion investment in hiring and training federal immigration and border law enforcement officers — along with \$2 billion in signing and retention bonuses — will significantly expand federal immigration enforcement capacity. While intended to enhance border control, this surge could also lead to increased enforcement activities in cities, particularly those with large immigrant populations. Local governments may face heightened pressure to respond to community concerns, address public safety coordination challenges and manage the broader impacts of intensified federal immigration enforcement efforts.
2. **No Tax on Overtime:** The bill allows employees to deduct up to \$25,000 for joint filers (\$12,500 for single filers) in overtime with phaseouts beginning at an income of \$150,000. The deduction takes effect in the current FY25 tax year. Regulations are still being finalized by the Department of Treasury. NLC will share additional information as it becomes available.

Next Steps

Although there is disagreement among budget experts over the amount the One, Big, Beautiful Bill Act will add to the federal debt, budget hawks in Congress largely consider the bill a missed opportunity to address the federal deficit. As a result, there could be increased pressure on the Majority party to decrease spending through annual appropriations, including federal grant programs for local governments. (Impacts on State budgets may also be an area of concern for local governments).

With the One, Big, Beautiful Bill Act now signed into law, Congress has until the start of the next fiscal year, beginning Oct. 1, to pass the 12 annual spending bills for fiscal year 2026, the first of which are just starting to be introduced.

President Trump issued an Executive Order on July 7 directing the U.S. Department of the Treasury to issue new and revised guidance for the Investment Tax Credit and Production Tax Credits regarding the definition of “begin construction” to ensure the termination of the clean energy tax credits for solar and wind projects is strictly enforced. Treasury is also directed to take prompt action to implement the new Foreign Entity of Concern restrictions.



Municipal League Memorial

In the fall of 1900 the cities of the territory, through their officials, organized the Municipal League of New Mexico, an organization of municipalities to co-operate in the study of all questions relating to municipal government, the promotion of proper legislation, etc. This body, through its committee, yesterday presented a lengthy memorial to the assembly.

To meet the many defects set forth in its preamble relative to the tax assessment and collection of taxes, and other alleged weak points in the existing laws governing municipal affairs, this memorial suggests that all property shall be assessed at 60 per cent of its market value, the valuation to be made solely by the assessors and county commissioners.

It also suggests that a joint committee of the two branches of the legislature shall be appointed with authority to summon before it the county commissioners and assessors of the territory and examine them under

oath as to the manner in which they or their predecessors have assessed property in their respective counties, and obtain from them such other information as will throw light on the subject, said committee to make report to their respective houses.

The memorial further suggests that municipal officers be elected for a term of two years; that all persons between the ages of 21 and 55 shall pay \$2 a year street tax, otherwise they shall not vote at municipal elections; that authority be given cities and towns of over 1,500 population to tax and regulate prostitution within their limits, and for a distance of one mile beyond them; that cities of 2,000 population may prescribe the character of buildings erected in their midst; and that a simple and quick method of law providing for sidewalks and sewerage shall be enacted.

The document also suggests that the funding law provides for too low a rate of interest, and names 5 per cent instead of 4 as a more satisfactory rate.





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