

New Mexico
Municipal
League

The Municipal Reporter

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Spring 2023



New Mexico Municipal League

New Mexico Municipal League



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Spring 2023

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President's Message

Now that everyone has had a few weeks to recover (hopefully) from the legislative session, it's time to reflect on how we fared. Overall, it was a successful session for municipal interests.

Local infrastructure received a big boost from a General Fund appropriation of \$55 million for local airports, a key League priority. While the airport funding is a one-time appropriation, we are optimistic that legislators will see the value in future funding injections to modernize airports statewide. Legislators also unanimously supported another of our priorities, increasing the firefighter survivor benefit to \$1 million, in recognition of the risks our first responders take to serve their communities. In the public safety realm, we were also gratified to see legislators shore up the Law Enforcement Protection Fund, adding an estimated \$22 million annually through a redirection of some health insurance premium tax revenues.



As often happens, sometimes the biggest legislative wins are what *didn't* happen – in this case, anti-pyramiding proposals. Anti-pyramiding provisions – or gross receipts tax deductions on certain professional services sold to businesses – risked significant revenue loss for local governments, potentially around \$100 million. Legislators heard from many of you about your concerns, and we were also able to share compelling data about potential impacts on individual cities, and thankfully, anti-pyramiding did not appear in the final tax omnibus bill (House Bill 547).

However, we expect legislators to revisit this issue in future years. While the League is supportive of tax reform to streamline and simplify the tax code, and to support business growth in our communities, the fact is that our tax system is structured around GRT. Cities receive the bulk of revenues from GRT and have limited options to raise revenue in other ways. Dismantling a core part of our tax system, without further in-depth study, risks serious destabilization to local budgets and public services. As a League, we want to ensure we're at the table for future discussions about anti-pyramiding, or any other tax issues affecting municipalities. We must be proactive, since we know this issue isn't going away.

In the legislature, you almost never get everything you want, and this year was no exception. We were disappointed that two of our public safety priorities – increasing annual funding for emergency medical services and covering subscriber fees for a statewide interoperable public safety network – didn't make it through the Legislature. These issues remain priorities for the League, and we will find opportunities during the interim to educate legislators on why adequate funding for public safety and emergency response is so critical to our communities. In addition, while the Legislature passed an increase in distributions to the transportation project fund for local roads, the Governor – disappointingly – vetoed this provision, along with nearly all other sections of the omnibus tax bill.

Farther afield, the League also advocated for municipal interests in Washington D.C. during the National League of Cities Congressional Conference. League Board members and staff met with our Congressional delegation, highlighting needs such as federal support for public safety and infrastructure, as well as ensuring that federal grant opportunities flow to our smaller communities.

Looking ahead to spring and summer, we are focused on revamping our Municipal Officials Leadership Institute & Newly Elected Officials programs to make sure we're delivering relevant, useful content in locations that are convenient to you. We are also working on a five-year strategic plan, using the valuable insights many of you provided in a recent member survey – thank you! As usual, we have a full slate of subsection meetings around the state. And of course, we're already looking ahead to next year's legislative session. The outcomes of your conversations and participation in upcoming gatherings plays a valuable role in informing our priorities for next year.

Thank you for all your support during the legislative session. I hope to see many of you in person in the coming months!

A handwritten signature in black ink that reads "Michael L. Miller".

Mike Miller, NMML President
Mayor Pro Tem, City of Portales

UPCOMING EVENTS

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

May 3 -5

Municipal Judges Professional Development Conference
Albuquerque

May 3 -5

NMZLO Semi-Annual Meeting
Albuquerque

May 5

Police Chiefs Association Meeting
Albuquerque

May 10-12

New Mexico Aviation Conference
Ruidoso

May 11

NMML Budget Committee Meeting
Santa Fe

June 2

NMML Board of Directors Meeting
Location TBD

June 24

Policy Committee Meetings
Location TBD

July 22

Resolutions Committee Meetings
Albuquerque

Save the Date!

**MUNICIPAL LEAGUE
ANNUAL CONFERENCE**

August 30 – September 1

Farmington, NM

More details and registration coming soon

Key Dates for NMML Board Nominations & Declarations

May 31 - Written notice mailed to member municipalities soliciting nominations for NMML Board

June 29 - Letter declaring candidacy for NMML Board must be received at the NMML Office

June 30 – If no nominations/declarations received, League President appoints a Nominating Committee

July 5 – Report of declared NMML Board candidates sent to all members

August 10 – Nominating Committee meets (if necessary)

August 15 – Nominating Committee Report sent to all members (if necessary)

Municipal League Attends National League of Cities Conference in Washington

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 26-28. A number of League members from around the state also attended the conference.

Attendees heard from speakers including First Lady Jill Biden, Secretary of Housing and Urban Development Marcia Fudge, Secretary of Agriculture Tom Vilsack, federal infrastructure "czar" and former New Orleans mayor Mitch Landrieu, and elected officials from cities large and small. Attendees also attended workshops on grant opportunities through the Bipartisan Infrastructure Law, affordable housing, renewable energy, workforce investment, clean water, broadband, and more.

The Municipal League delegation also met with New Mexico's Congressional delegation – **Senator Ben Ray Luján**, **Congresswoman Melanie Stansbury**, **Congressman Gabe Vasquez**, and **Congresswoman Teresa Leger Fernandez**, as well as **staff members from Senator Martin Heinrich's office**. The League delegation discussed federal legislative issues relevant to municipalities, including federal funding for roads and public safety and support in securing federal grant opportunities. The League greatly appreciates all our Congressional members and staff for sharing their time and expertise with our group.

The NLC City Summit will take place from **November 16-18 in Atlanta**, and next year's Congressional City Conference will take place from **March 11-13 in Washington D.C.**



Municipal League Immediate Past President Javier Perea (mayor, Sunland Park) and Board member Nora Barraza (mayor, Mesilla) meet with Congressman Gabe Vasquez



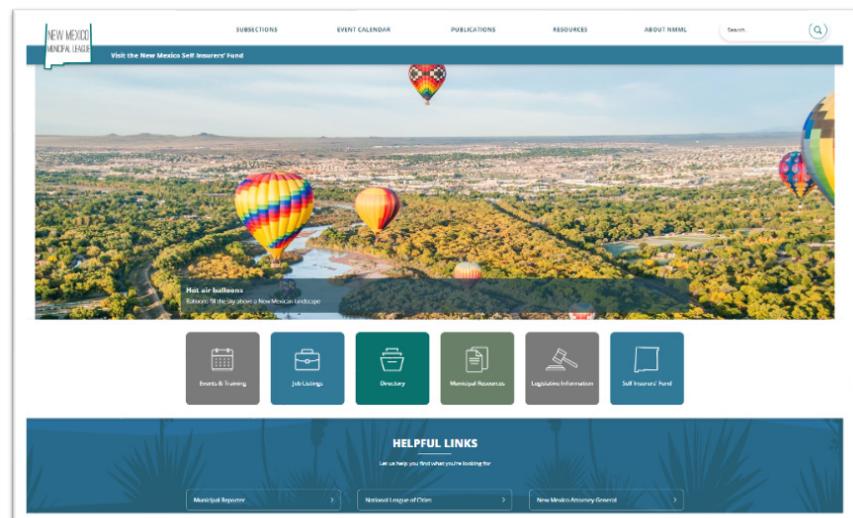
Municipal League Board members and staff meet with Congresswoman Melanie Stansbury

Municipal League Unveils New Website

If you've visited the League's website recently, you've probably noticed – we have a new look! The League launched a new and improved site at the end of March (the web address remains the same: nmml.org). League staff worked with website developer CivicPlus over the course of several months to design and prep the new site.

Besides a shiny new look, site upgrades are intended to make it easier for members to view and register for events, find relevant resources and links, and connect with League and Fund staff.

Staff will continue to work on the site over the coming months to ensure all site resources are relevant, up-to-date, and easily searchable.



For questions about the new site, or for assistance navigating, please contact Alison Nichols (anichols@nmml.org) or Mariah Valdez (mvaldez@nmml.org)

Municipal League News

New Mexico Municipal Clerk Appointed to Leadership Role in International Clerks Organization

Ida Fierro, Clerk/Administrator for the Town of Bernalillo, was sworn in as Region 8 West Director for the International Institute of Municipal Clerks in January of this year. IIMC is an international organization for municipal clerks, providing education, certification, and many other resources. The IIMC Board of Directors is made up of 11 regional directors (along with four executive committee members) who collectively serve as leadership of the Institute.

Having a New Mexico Clerk serving as a Region Director provides direct access to IIMC information and opportunities and increases our potential to have our voices heard at the Board of Director table. As President of the Clerks and Finance Officers Association I am so very proud and excited for Ida! It's an honor to have New Mexico represented in this manner.

Rebecca Martinez, City Clerk of Rio Rancho, President of NM Municipal Clerks and Finance Officers Association

Municipal League Members Participate in Leadership New Mexico's Local Government Leadership Program

Twenty-four municipal officials and employees were accepted into Leadership New Mexico's 2023 local government cohort. Participants will convene for two 2-1/2 day program sessions, in Santa Fe and Albuquerque. The program is designed to offer municipal and county officials, school board members, members of the National Guard, and regional councils of governments the opportunity to explore the critical issues facing New Mexico and participate in skill-building workshops. Participants can receive elective credit towards a Certified Municipal Official designation through the Municipal League.

For more information on programs, see Leadership New Mexico's website: www.leadershipnm.org.

- **Brittany Armijo**, Assistant Public Works Director, Los Lunas
- **Stephanie Birr**, Librarian, Los Lunas
- **Kenneth Brennan**, Town Commissioner, Edgewood
- **Mara Burstein**, Deputy Director, Air Quality, Environmental Health Department, Albuquerque
- **Edward DeHerrera**, Mayor, Roy
- **Miriam Diemer**, Deputy Chief of Staff, Albuquerque
- **Sterling Donner**, Town Commissioner, Edgewood
- **Christopher Faivre**, Economic Development Deputy Director, Las Cruces
- **Juliana Halvorson**, City Councilor, Roswell
- **Melinda Hobbs**, Criminal Investigations Captain, Silver City
- **Louis Huning**, Museum Specialist, Los Lunas
- **Justin Jones**, Accounting Manager, Roswell
- **Amador Lujan**, Captain, Police Department, Portales
- **Monica Mitchell**, Senior Economic Developer, Albuquerque
- **Jennifer Morrow**, Deputy Director of Municipal Development, Albuquerque
- **Michael O'Rear**, Assistant Public Works Director, Jal
- **Cristina Parajon**, Gateway Administrator, Albuquerque
- **Gilbert Ramirez**, Deputy Director of Behavioral Health & Wellness Programs, Albuquerque
- **Andrew Rodriguez**, Deputy Chief of Police, Rio Rancho
- **Robyn Rose**, Associate Director of Planning, Albuquerque
- **Cruz-Martin Sanchez**, Sergeant, Police Department, Jal
- **Ernest Sanchez**, Mayor, Clayton
- **Timothy Tavizon**, Patrol Lieutenant, Silver City
- **Jeffrey Wenzel**, Deputy Fire Chief, Rio Rancho

Congratulations to the 2023 local government cohort!

Law Enforcement Leaders Gather for Chief Training

Rio Rancho Police Department hosted the fourth **New and Future Police Chief Training** from April 10-14, which was a successful and informative session for participants.

"Chief Steele & DC Rodriguez: I would like to thank you, and your entire staff for hosting this class and your hospitality. This class is a great tool for those who choose to be in positions of leadership in law enforcement, especially in these times. Your investment in others and their successes, especially those outside your own agency, speaks volumes of you as leaders."

-Chief Thomas Lewis, Angel Fire Police Department



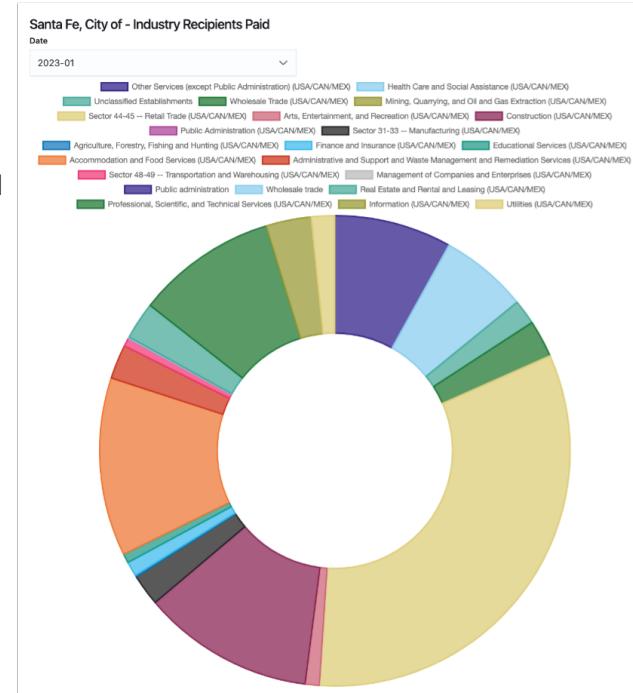
2023 NFPCT Class 4 graduates and instructors

Municipal League Working with the Institute for Complex Additive Systems Analysis at New Mexico Tech to Develop Interactive Tax Portal

Municipal League staff have been working over the past several months with staff from New Mexico Tech's Institute for Complex Additive Systems Analysis (ICASA) to develop an online tool that will allow users to easily view and analyze data from the Taxation and Revenue Department. While the data in question is public, it is often published in a way that makes it difficult to manipulate and analyze, especially to view historical trends.

The forthcoming tax data portal will allow users to easily track GRT disbursements by location, for selected time periods; track GRT revenues by industry; compare GRT revenues and trends between municipalities or other entities; track components such as administrative fees, food and medical distributions, and adjustments from RP-500s, among other analysis.

Municipal League staff will begin accessing and testing the portal in the coming weeks, with wider usage planned in the future. Staff will be able to work with League members to produce reports for individual communities (for example, see chart of GRT revenue by industry for the City of Santa Fe).



Municipal, County, Tribal, State, and Federal Stakeholders Partner to Address Emergency Flooding in Jemez Valley

Between April 13 and April 18, Sandoval County and the Village of Jemez Springs, along with Jemez Pueblo and the Village of San Ysidro, worked collaboratively to address emergency flooding in the Jemez Valley.

The previous winter months saw record-level snowpacks and when elevated temperatures in early April suddenly spiked, the rapid snow melt produced an influx of water that resulted in flooding along the corridor that impacted communities, roadways, and bridges. Within a day, a bridge had been compromised and closed, a break in a pipeline adjoining the river was detected causing a rush of water into the wastewater treatment plant, and severe flooding along NM Highway 4 and within the Village of San Ysidro was occurring simultaneously.

Through a coordinated effort, an Emergency Operation Center (EOC) was activated in the region and resources were deployed to mitigate the concerns. Sandoval County's Office of Emergency Management led the efforts and was supported by Sandoval County Fire and Rescue and Bernalillo County Office of Emergency Management. State, county, municipal, tribal, and federal partners were all deployed to help, and funding resources were quickly identified.

Within a few hours, the water leak issue with the wastewater treatment plant was identified and steps were immediately taken by the Village of Jemez Springs



Stakeholders work to repair a water pipeline close to the river

and Sandoval County to stop the influx. Within a few days, prevention efforts to protect life and property were in place, detours around bridges were created, recreation areas were closed for life safety reasons, and downstream flooding was being mitigated. Though long-term recovery efforts are ongoing, the ability of small communities to partner with county, state, and federal resources proved to be successful. The EOC plan came together and worked because everyone was willing to participate in the response and work as a team, regardless of jurisdiction, to deal with the emergency.

Thank you to Eric Masterson,
Sandoval County Fire Chief, for this information!

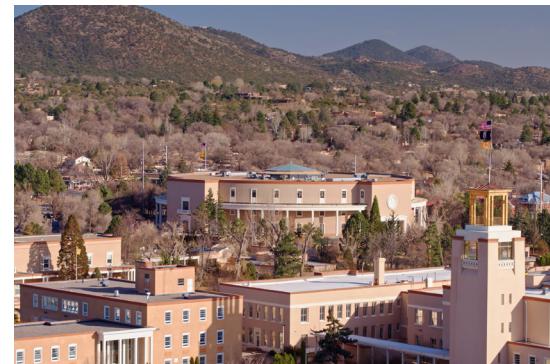
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Legislation Session Brings Funding, Other Support for Municipal Infrastructure and Public Safety Needs

The First Session of the 56th Legislature ended at noon on March 18. It was a busy session for the League, with several priority bills relating to public safety, airport funding, and revenue for roads.

The debate on anti-pyramiding tax provisions dominated much of the session, and we breathed a huge sigh of relief that anti-pyramiding did not make it into the final omnibus tax bill – although we believe that issue is likely to come back next year.

Overall, there were a number of positive outcomes for municipalities. Funding for statewide airports was included in House Bill 2, the General Appropriation Act. The **\$55 million general fund appropriation** represents the largest investment in statewide airports in the state's history. House Bill SB250, **increasing the firefighter survivor benefit from \$250 thousand to \$1 million, passed unanimously** through several committees and both chambers. We were gratified to see strong support for aligning the firefighter survivor benefit with that of law enforcement officers.



We were disappointed that two other priority public safety initiatives didn't make it. The League supported **\$10 million for EMS services** (Senate Bill 23) and **\$2.5 million for public safety radio network subscriber fees** (Senate Bill 409). Both initiatives represented much-needed support for our public safety agencies, and we will continue to advocate for these needs next year.

In addition, while the Legislature, as part of the omnibus tax bill, passed an **increase in the distribution of motor vehicle excise tax revenues to the transportation project fund** (which provides funding for local road projects), the Governor – disappointingly – vetoed this provision, along with the majority of the tax bill.

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!



See following pages for a summary of legislation affecting municipalities.

Budget & Investments

HB 2 & 3 GENERAL APPROPRIATION ACT OF 2023 (Nathan Small) Action: **Signed by Governor, with line item vetoes**

House Bill 2 is the General Appropriations Act of 2023 reflecting the comprehensive state budget recommendation for Fiscal Year 2024. HB2 appropriates \$9.4 billion in recurring General Fund revenues, as well as \$2.36 billion in non-recurring General Fund revenues.

HB2 makes a number of one-time appropriations to support local governments, including:

- **\$55 million in general fund monies for airport projects statewide.** Funds are appropriated to the Department of Transportation's Aviation Division, to distribute to airports. The appropriation does not name specific airports.

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- \$100 million for law enforcement initiatives, including initiatives benefiting local departments:
 - \$32.5 million for a law enforcement workforce capacity building fund, to provide grants to municipal police departments and county sheriff's offices to increase the available workforce of law enforcement officers.
 - \$57 million for state and local law enforcement agencies for commissioned law enforcement officers and civilian personnel for crime reduction efforts
 - \$10 million for felony warrant enforcement statewide
- \$4 million for the firefighter survivors' fund
- \$4 million for the law enforcement survivors' fund
- \$10 million to provide grants to local governments to support housing infrastructure.
- \$8 million for cost overruns for local capital outlay projects.
- \$7.5 million for water supply infrastructure in Gallup.
- \$10 million for state and local match assistance for federal grants.
- \$5 million for infrastructure upgrades in response to the McBride fire in Ruidoso and Lincoln County.
- \$5.9 million to the Economic Development Department to assist in diversifying and promoting the economy of communities affected by the closure of fossil fuel plants.
- \$5 million for upgrades to drinking water systems in Grants.

For a comprehensive summary of the bill, refer to the bill's [fiscal impact report](#). For the final bill, including vetoed language, see [here](#).

SB 192 ADDITIONAL APPROPRIATIONS & CONFIDENTIALITY (George K Munoz) Action: Signed by Governor, with line item vetoes

Senate Bill 192 ("Junior Bill") makes legislators' General Fund appropriations and authorizes their expenditures.

SB 192 provides an exception to legislative confidentiality, by making public legislators' allocations.

See final bill with vetoed language [here](#).

Infrastructure & Capital Outlay

HB 78 AVIATION FUND GRT DISTRIBUTION SUNSET (Dayan Hochman-Vigil) Action: Signed by Governor

House Bill 78 removes a delayed repeal date for a Gross Receipts Tax (GRT) distribution to the State Aviation Fund. HB 78 increases distributions to the fund, from \$3 million to \$6 million annually.

HB 298 PUBLIC PROJECT REVOLVING FUND APPROPS. (Ambrose M Castellano) Action: Signed by Governor

House Bill 298 makes an appropriation from the public project revolving fund to the drinking water state revolving loan fund, the water and wastewater project grant fund, the cultural affairs facilities infrastructure fund and the local government planning fund.

SB 1 REGIONAL WATER SYSTEM RESILIENCY (Peter Wirth) Action: Signed by Governor

Senate Bill 1 enacts the Regional Water System Resiliency Act and authorizes the creation of regional utility authorities, provides the powers and duties of authorities and their boards of directors, specifically authorizing the issuance of bonds; providing for the transfer of assets, liabilities including water rights.

SB 6 HERMITS PEAK-CALF CANYON FIRE RECOVERY FUNDS (Pete Campos) Action: Signed by Governor

Senate Bill 6 requires the Local Government Division of the Department of Finance and Administration to provide zero-interest loans to political subdivisions of the state for projects to replace or repair infrastructure damaged by fire, flooding or debris flows caused by the Hermits Peak-Calf Canyon Fire. It requires approval for federal public

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assistance grants and requires reimbursement contracts and provides for enforcement. CS/SB 6 SFC appropriates one million dollars (\$100,000,000) and declares an emergency.

HB 505 CAPITAL OUTLAY PROJECTS (Derrick Lente) Action: *Signed by Governor, with line item vetoes*

House Bill 505 authorizes capital outlay expenditures, establishing conditions for the reversion of unexpended balances, makes appropriations and declares an emergency.

For a list of local projects, refer to projects under Local Government Division [here](#). For final bill including vetoed language, see [here](#).

SB 309 CAPITAL OUTLAY REAUTHORIZATIONS (Nancy Rodriguez) Action: *Signed by Governor, with line item vetoes*

Senate Bill 309 re-authorizes or re-appropriates balances related to capital expenditures; expands or changes purposes; extends expenditure periods; changes agencies; and sets conditions for the reversion or transfer of unexpended balances of appropriations made by the legislature in prior years. An emergency is declared.

SB 332 NMFA PUBLIC PROJECT REVOLVING FUND PROJECTS (Nancy Rodriguez) Action: *Signed by Governor*

Senate Bill 332 authorizes the New Mexico finance authority to make loans for public projects from the public project revolving fund and declares an emergency.

Tax Policy

SB 147 TAX CHANGES (Benny Shendo) Action: *Signed by Governor*

Senate Bill 147 makes several tax code changes: Cannabis tax assessed on destination-based sourcing; allow tribal taxes to differ from surrounding local government tax rates; clarify definitions for disclosed agency and gross receipts; changes in reporting to Taxation and Revenue; exempt services and digital purchases by government agencies from taxation; exempt certain healthcare providers from Gross Receipts Tax; clarify Trip Tax and Premium Tax amounts. SB 147 makes conforming changes to statutes and declares an emergency.

HB 547 TAX CHANGES (Derrick Lente) Action: *Signed by Governor, with line item vetoes*

Note: Most of HB547 was vetoed by the Governor. The below summary notes provisions that were signed by the Governor; anything not specifically noted as signed was vetoed.

House Bill 547 is an omnibus tax bill including a number of tax code changes.

Bill provisions impacting municipalities are:

- **Industrial Revenue Bonds for energy storage.** Allows local governments to issue IRBs for energy storage facilities. Intended to incentive retrofitting large-scale wind or solar installations with battery electric storage. *Fiscal impact uncertain; dependent on whether local governments issue IRBs for newly-eligible projects, which would provide GRT deductions for equipment installed in eligible projects.*
- **Childcare provider GRT deduction:** Creates a GRT deduction for the sale of childcare assistance through licensed program or for-profit kindergarten providers. *Estimated FY24 fiscal impact to local governments between -\$8.2 million and -\$15.8 million.*
- **Healthcare practitioner copayment or deductible GRT deduction:** Expands the GRT deduction for receipts from copayments or deductibles paid to a healthcare provider. *Estimated FY24 fiscal impact to local governments -\$10.8 million. *Signed by Governor**

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- **Medicaid renovation GRT deduction.** Creates a GRT deduction for providers that install medical equipment for Medicaid recipients. *Estimated FY24 fiscal impact to local governments-\$180 thousand.*
- **Geothermal Energy Generation Tax Credit.** Creates a geothermal electricity generation income tax credits and companion gross receipts and compensating tax deductions. *Estimated FY24 fiscal impact to local governments -\$1.4 million.*
- **Dyed Diesel Fuel GRT Exemption.** Exempts the sale and use of dyed special fuels from the gross receipts and compensating tax when used for agricultural purposes. *Estimated FY24 fiscal impact to local governments -\$3.2 million (likely affects counties primarily; small impact on municipalities)*
- **Motor vehicle excise tax distributions.** Restructures the MVX tax distribution to direct 75 percent to the state road fund and 25 percent to the transportation project fund, beginning in FY25. The project fund provides funding for municipal, country, and tribal projects including planning, design, construction, and right of way acquisition for highways, streets, roadways, bridges, crossing structures, parking facilities, and other transportation infrastructure. *The Transportation Project Fund will receive an additional \$18 million annually, beginning in FY26; the State Road Fund will receive an additional ~\$76 million annually in FY24, increasing to an additional ~\$156 million in FY26.*
- **Liquor excise tax increases.** Increases liquor excise tax rates by 20 percent and adjusts the distribution of revenues, including changing the amount distributed to municipalities located in a Class A county with a population between 30,000 and 60,000 from a fixed rate to a percentage. *Estimated FY24 fiscal impact to local governments \$179 thousand, increasing to \$75 thousand in FY27. Currently, only affects Farmington.*

In addition, HB547:

Reduces the state GRT and compensating tax rate by 0.5 percent over four years. The rate will reach 4.375 percent in FY27. The rate would be restored to previous levels if revenues decline by more than 5 percent before 2037.

Restructures the personal income tax rates and brackets to increase the number of brackets, adjust the rates, and change the income range within each bracket.

Requires that income levels eligible to receive the **low-income comprehensive tax rebate (LICTR)** be adjusted to account for inflation, and also **expands the income range** and slightly increases the rebate amount

Amends the rural healthcare practitioner income tax credit to add several categories of health workers to the list of approved practitioners eligible to receive the credit.

Increases the child tax credit for the lowest three income levels from \$175 to \$600, \$150 to \$400, and \$125 to \$200, and requires annual adjustments for inflation. **Signed by Governor**

Amends the limit of capital gains that may be deducted from personal income tax, from the greater of \$1,000 or 40 percent of net capital gain income to a maximum of \$2,500.

Estimated Local Government Impacts of HB547 (\$ millions)

Tax Provision	FY24	FY25	FY26	FY27
Industrial Revenue Bonds	<i>Indeterminate</i>			
Childcare GRT Deduction	(\$12,060)	(\$12,175)	(\$12,615)	(\$12,865)
Medicaid Renovation GRT Deduction ¹	(\$180)	(\$170)	(\$180)	(\$180)
Geothermal Energy Generation Tax Credit	(\$1,420)	(\$1,420)	(\$1,420)	(\$1,420)
Healthcare Practitioner Copayment or Deductible GRT (Signed by Gov.)	(\$10,800)	(\$12,300)	(\$13,900)	(\$15,500)
Dyed Diesel Fuel GRT Exemption	(\$3,253)	(\$3,253)	(\$3,253)	(\$3,253)
Liquor Excise Tax	\$179	\$364	\$370	\$375
Transportation Project Fund			\$18,300	\$18,800

1 Represents midpoint of FIR estimate

Source: LFC FIR

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Provides a **one-time personal income tax rebate** of \$500 for single filers and married individuals filing separate returns and \$1,000 for married individuals filing jointly. **Signed by Governor**

Increases the adopted **special needs child credit** from \$1,000 per child to \$1,500 per child.

Creates a **single corporate income tax rate of 5.9 percent**.

Adjusts **income caps on the income tax exemption for social security income to account for inflation**.

Increases **benefits of the film tax credit**, including raising the cap for non-New Mexico film partners, expanding subsidies for nonresidents, and enhancing the benefit of filming in rural locations.

Signed by Governor

Removes the **50 cents per cigar cap** on the tobacco products tax on cigars.

Replaces the **three-factor business income apportionment formula** with an opt-out single sales factor through tax year 2028, and shifts to single-sales factor only after that.

For a comprehensive analysis of the bill's provisions and fiscal impacts, see the fiscal impact [report](#).

SB 157 GRT DISTRIBUTION TO HOBBS (Gay G. Kernan) Action: Vetoed

Senate Bill 157 provides an offset distribution from the General Fund to the City of Hobbs. SB 157 makes a \$25 million appropriation.

SB 251 METRO DEVELOPMENT ACT CHANGES (Carrie Hamblen) Action: Signed by Governor

Senate Bill 251 provides for property tax, local option tax, and state tax revenue to fund Metropolitan Redevelopment Areas (MRA). SB 251 authorizes bond issues from local and state Gross Receipts Tax revenue and prohibits the use of property tax revenue for this purpose. The bill also removes requirements for sealed bidding and approval of contracts by local governments for certain contracts. Local governments are permitted to delegate certain powers to a metropolitan development agency.

SB 292 CARLSBAD/ EDDY COUNTY GROSS RECEIPTS (Gay G. Kernan) Action: Vetoed

Senate Bill 292 provides an offset distribution of Gross Receipts Tax revenue to the City of Carlsbad. SB 292 makes a \$25 million appropriation.

Law Enforcement & Public Safety

SB 368 LAW ENFORCEMENT BODY CAM EXCEPTIONS (Harold James Pope) Action: Signed by Governor

Senate Bill 368 provides exceptions in certain situations to the requirement that law enforcement use body-worn cameras. The bill provides that officers are not required to wear body cameras during undercover operations or explosive recovery and disposal operations. The bill also amends statute relating to the presumption of bad faith when an officer fails to comply with body camera requirements (under the amended statute, officers "may" be presumed to have acted in bad faith).

HB 40 NONTRADITIONAL COMMUNICATION REGISTRY (Elizabeth "Liz" Thomson) Action: Signed by Governor

House Bill 40 creates a Nontraditional Communication or Disability Registry which requires police officers, while enforcing traffic laws, to determine whether a motor vehicle is in this registry, and if so, take appropriate safety precautions.

HB 345 FIREFIGHTER RECRUITMENT (Cynthia D Borrego) Action: Vetoed

House Bill 345 provides recruitment disbursements to newly hired firefighters; creates a Firefighter Recruitment Fund (Fund); and requires distribution and oversight of the Fund by the Homeland Security and Emergency Management Department.

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HB 357 LAW ENFORCEMENT WORKFORCE BUILDING FUND (Meredith Dixon) Action: Signed by Governor

House Bill 357 creates the Law Enforcement Workforce Capacity Building Fund, the Public Attorney Workforce Capacity Building Fund, provides funding for the recruitment and retention of law enforcement officers, public defenders and prosecutors.

SB 19 LAW ENFORCEMENT & PUBLIC SAFETY TELECOMM (Antonio "Moe" Maestas) Action: Signed by Governor

Senate Bill 19 amends several statutes related to law enforcement and public safety telecommunicator professions, requires more training and performance standards, and appropriates funds for the New Mexico Law Enforcement Academy.

Key changes include:

Requiring the Department of Public Safety to create a searchable public database showing the outcomes of adjudicated misconduct investigations involving law enforcement officers and dispatch. The database must include outcomes of misconduct investigations that resulted in dismissal, denial, suspension, or revocation of an officer or dispatcher's certification. DPS must create the database by July 1, 2024.

Expanding membership of the Law Enforcement Standards and Training Council from seven to 11 appointed members. The bill adds to the council: two dispatchers, one sheriff, and one municipal law enforcement officers in a command position.

Enacting the Use of Force Procedures Act, which:

Requires law enforcement agencies to develop and maintain use-of-force policies; Prohibits certain uses of force by officers (shooting into feeling motor vehicles and use of vascular neck restraints, except in certain circumstances);

Provides for penalties regarding unlawful uses of force by officers; and

Creates a duty for officers to intervene to prevent the use of excessive force.

Expanding membership of the Law Enforcement Certification Board from nine to 11 members, removing two members, and adding: one current or retired local law enforcement officer, one dispatcher, one professor of criminal justice, one citizen-at-large.

SB 250 FIREFIGHTER SURVIVOR BENEFITS (William F Burt) Action: Signed by Governor

Senate Bill 250 increases the amount of death benefits of a firefighter killed in the line of duty, from \$250,000 to \$1 million.

SB 491 HEALTH PREMIUM TAX FOR LAW ENFORCEMENT (George K Munoz) Action: Signed by Governor

Senate Bill 491 directs 10 percent of health insurance premium tax revenue to the Law Enforcement Protection Fund, resulting in an additional \$22 million annually to the LEPF, ensuring solvency and continued distributions to law enforcement agencies.

Courts & Criminal Justice

HB 9 UNLAWFUL ACCESS TO FIREARM BY MINOR (Pamelya Herndon) Action: Signed by Governor

House Bill 9 relates to crime and creates the misdemeanor crime of negligently making a firearm accessible to a minor and the fourth-degree felony of negligently making a firearm accessible to a minor which results in great bodily harm or death.

SB 47 DRIVER'S LICENSE SUSPENSION PENALTIES (Peter Wirth) Action: Signed by Governor

Senate Bill 47 relates to driver's licenses and changes the penalties for the suspension of a driver's license.

HB 76 JUDICIAL EDUCATION SVCS FUND & ADMIN (Dayan Hochman-Vigil) Action: Signed by Governor

House Bill 76 relates to courts and provides that the Administrative Office of the Courts shall administer the Judicial Education Fund, instead of the University of New Mexico Law School, and appropriates \$2,114,100 to this fund.

2023 Legislative Session Review

HB 139 ELIMINATING COURT FEES (Micaela L Cadena-Lara) Action: Signed by Governor

House Bill 139 eliminates post-adjudication fees for criminal and traffic cases, including in municipal courts. The bill also includes provisions expanding the types of community service that can be applied in lieu of fees and increase the credit for community service and jail time in lieu of payment.

HB 306 PURCHASE OF FIREARMS FOR ANOTHER (T. Ryan Lane) Action: Signed by Governor

House Bill 306 prohibits the unlawful purchase of a firearm for another.

HB 462 NUISANCE PENALTIES & PROCEDURES (Gail C. Chasey) Action: Signed by Governor

House Bill 462 amends procedures and penalties for nuisances within municipalities.

Labor & Workforce

HB 106 INCREASE PUBLIC EMPLOYEE PENSION MAX (Eliseo Lee Alcon) Action: Signed by Governor

House Bill 106 increases the maximum amount of pension that a member is permitted to earn pursuant to the public employees retirement act, from 90 to 100 percent of final average salary.

Environment & Natural Resources

SB 53 STORAGE OF CERTAIN RADIOACTIVE WASTE (Jeff Steinborn) Action: Signed by Governor

Senate Bill 53 amends the Radioactive and Hazardous Materials Act by prohibiting the storage and disposal of radioactive materials, transuranic contaminated waste or low-level waste in a disposal facility until the state has consented to the creation of the disposal facility. It prohibits the issuance or certification of a permit for the construction or operation of a disposal facility for spent fuel or high-level waste unless the state has consented to the creation of the disposal facility and a permanent repository is in operation. SB53 amends the definition of disposal facility and the duties and composition of the Radioactive Waste Consultation Task Force. It declares an emergency.

HB 379 LOCAL GOV'T & REFRIGERANT USE BANS (Ambrose M Castellano) Action: Signed by Governor

House Bill 379 provides that municipalities and counties shall not prohibit the use of certain refrigerants or the installation and listing of equipment that contains certain refrigerants.

Local Governance & Elections

HB 4 VOTING RIGHTS PROTECTIONS (Javier I Martinez) Action: Signed by Governor

House Bill 4 is a voting rights bill that makes numerous changes to the Election Code such as automatic voter registration provisions, allowing inmates to vote upon release; removing the cancelation of a voter's registration upon a felony conviction; creating a voluntary permanent absentee voter list; enacts the Native American Voting Rights Act; and declares Election Day a school holiday.

HB 207 EXPAND HUMAN RIGHTS ACT SCOPE (Kristina Ortez) Action: Signed by Governor

House Bill 207 relates to human rights and extends the scope of the Human Rights Act to apply to certain actions of the state, political subdivisions and public contractors, and expands the list of protected classes to include gender.

HB 232 DISCLOSURE OF CERTAIN INFO (Debra Mari Sarinana) Action: Signed by Governor

House Bill 232 amends the Inspection of Public Records Act to exempt from disclosure information certain sensitive or personally identifiable information.

HB232 exempts certain types of law enforcement records from public inspection, including personally identifiable information for certain crime victims and witnesses or for individuals accused but not charged with a crime; visual depictions of great bodily harm, dead bodies, and intimate body parts; and visual or audio depictions of the notification of a member of the public of a family member's death. In addition, the bill requires that requests for release of audio or video include additional information, such as approximate time or location.

2023 Legislative Session Review

SB 43 INTIMIDATION OF ELECTION OFFICIALS (Katy Duhigg) Action: Signed by Governor

Senate Bill 43 amends the crime of intimidation to include acts against employees and agents of the secretary of state, county clerks, and municipal clerks.

SB 180 ELECTION CHANGES (Katy Duhigg) Action: Signed by Governor

Senate Bill 180 makes numerous changes to the Election Code, such as allowing voters to choose to be on a permanent absentee ballot list and allowing for the electronic gathering of signatures for nominating petitions.

Other Bills

HB 7 REPRODUCTIVE & GENDER-AFFIRMING HEALTH CARE (Linda Serrato) Action: Signed by Governor

House Bill 7 enacts new sections of Chapter 24 NMSA 1978 to create the Reproductive and Gender Affirming Healthcare Freedom Act, establishing a prohibition on discrimination or denial of services or support to any person seeking access to reproductive health care or gender affirming health care within the medical standard of care. Penalties for violation are established.

HB 299 ELEVATOR SAFETY ACT (Ambrose M Castellano) Action: Signed by Governor

House Bill 299 enacts the Elevator Safety Act that provides for inspection and registration of elevators.

SB 13 REPRODUCTIVE HEALTH PROVIDER PROTECTIONS (Linda M. Lopez) Action: Signed by Governor

Senate Bill 13 protects the privacy of providers, recipients and others engaging in reproductive and gender affirming health care. Protections are created for providers, recipients and others engaging in reproductive and gender affirming healthcare from certain civil or criminal liability or professional disciplinary action. The bill also provides for enforcement, imposes penalties, and prescribes relief.

Legislation Spotlight

Bill Makes Needed Steps Towards IPRA Modernization

Rebecca Martinez, City Clerk of Rio Rancho, President of NM Municipal Clerks and Finance Officers Association

House Bill 232, sponsored by Representative Debra Sariñana and Senator Daniel Ivey-Soto, makes numerous amendments to the Inspection of Public Records Act. The bill is hopefully just the beginning step towards much-needed modernization of the Act, which was enacted over 30 years ago. The provisions within the bill are now in effect, with the signing by Governor Lujan-Grisham on March 30, 2023.

Highlights of the bill that impact municipalities include:

1. The definition of Protected Personal Identifier Information (PPII) has been expanded to now include all but the last four digits of a credit or debit card number, and the home street address (not city, state or zip) of a nonelected public body employee.
2. A new Law Enforcement Records Section, 14-2-1.2 has been created which combines existing language with new requirements for the requesting, inspecting and redacting of contents not previously classified as confidential for these types of records.
 - I. Prior to this bill, records custodians were permitted to redact the names, addresses, contact information or PPII of victims or non-law enforcement witnesses to one of six (6) specific sexual related crimes. A seventh (7th) crime has been added to this list - Sexual exploitation of children pursuant to Section 30-6A-3 NMSA 1978.
 - II. There is now an allowance for the redaction of:
 - Images of a dead body, unless a law enforcement officer, acting in that capacity, caused or is reasonably alleged or suspected to have caused the death;
 - Images of great bodily harm, as defined in Section 30-1-12 NMSA 1978, or acts of severe violence resulting in

Legislation Spotlight

great bodily harm, unless a law enforcement officer, acting in that capacity, caused or is reasonably alleged or suspected to have caused the great bodily harm or act of severe violence;

- Images of an individual's intimate body parts, including the genitals, pubic area, anus or postpubescent female nipple, whether nude or visible through less than opaque clothing;
- Images or audio of the notification to an individual about a family member's death.
- records pertaining to physical or mental examination and medical treatments. The exception to this is when the information could be relevant to a criminal, misfeasance, malfeasance or other suspected violation of law investigation by an elected or employed member of a public body.
- The imagery or audio of the above contents shall remain unredacted when an individual requests to view such video or hear audio at the public body office. The requester shall not be allowed to film, record or copy the video or audio during their on-site visit. All other information deemed nonpublic, i.e., PPII, confidential sources, methods etc. can still be redacted prior to the viewing.

III. Requests for law enforcement video or audio records must contain certain details. The intent of this provision is to eliminate vague requests that result in an overwhelming number of staff hours expended on the downloading and/or redaction of video footage. Each request must now specify one of the following items:

- the computer-aided dispatch (CAD) record number;
- the police report number;
- the date or date range with reasonable specificity and at least one of the following:
 - the name of a law enforcement officer or first responder;
 - the approximate time; or
 - the approximate location; or
- other criteria established and published by a law enforcement agency to facilitate access to videos.

3. One of the new exceptions that has been added is IT system information that would expose specific vulnerabilities of such systems. Here is an example of how this exception would be used, as detailed by Representative Sariñana during a committee hearing.

Within the last year, a state agency received a request for usernames and passwords. The information was provided, as there wasn't an exclusion (until now – see below) that would allow for redaction and/or outright denial of the information. While the agency was wise enough to immediately change the passwords, the patterns of the usernames and passwords were used to create an algorithm, which was ultimately used to hack the agency's IT infrastructure.

4. A new exception for application submittals of competitive grants, land leases or scholarships, including relative scoring and/or evaluation records prior to the publication of finalists or awardees has also been added. This language is similar to the limitations already contained within the State Procurement Code, however the codification of this language into the Act will hopefully provide more consistent application.

Reform of the Inspection of Public Records Act has been (and will continue to be) a priority of Municipal Clerks and other municipal officials. In light of advancements in technology since the Act's inception, it is imperative that clear legislative guidance be provided on how to process records requests, especially as it relates to records that could compromise privacy and security.

We'd like to thank Representative Sariñana and Senator Ivey-Soto for carrying the bill and for their commitment to continued dialogue in making further updates in the future. We are also grateful to all the municipal clerks who advocated for the passage of this bill.

Water Trust Board Provides Critical Funding for Local Water Projects

The Water Trust Board was established by the 2001 New Mexico Legislature through the enactment of the Water Project Finance Act. The Water Project Fund annually receives 9% of Senior Severance Tax Bond proceeds as well as a distribution from the Water Trust Fund. These monies are used to fund a variety of water projects across the state. The New Mexico Finance Authority (NMFA) makes loans and grants for projects recommended by the Water Trust Board and authorized by the Legislature.

Water Trust Board awards are generally a combination of grants and loans, depending on the financial capability of the applicant. NMFA recommended a total of \$138,991,405 in projects for the 2023 WTB cycle.

Water Trust Board Policy Requirements:

- Minimum contributions from applicants in the form of local or federal matching funds; *waivers may apply*
- Loan component of between 10%-40% for projects supported by a rate-paying constituency; *waivers may apply*
- To the greatest extent possible, awards will be sized to projects that represent a functional project or stand-alone phase of a project that can be accomplished within 12-24 months of award
- Applicants applying for one or more projects in a given cycle *may not receive more than 15% of the available funds in any given year*

Recent Changes to the Water Trust Board Policies:

Due to an anticipated increase in funding over the next few years, the Water Trust Board updated their policies to help applicants, to include:

- Reduced planning document requirements;
- Additional time to meet regulatory compliance requirements;
- Reduced match requirements;
- Match requirement waivers;
- Loan requirement waivers; and
- Grants for design.

NMFA publishes its WTB Timeline in June, with multiple trainings in July and August. The two-week Notice of Intent Period typically occurs in early to mid-August with the application opening in late August/early September.

For more information on how to apply, visit www.nmfinance.com/water-project-fund/ or email WTBAdmin@nmfa.net

Another Funding Stream to Consider: The Local Government Planning Fund

The Local Government Planning Fund (LGPF) is another program administered by NMFA for entities seeking funding for critical planning documents. LGPF funded Preliminary Engineering Reports may be considered as "local match" for the WTB if the PER is for the proposed WTB project.

By statute, five types of projects may be funded from the Water Project Fund:

- Storage, conveyance or delivery of water to end users;
- Implementation of federal Endangered Species Act collaborative programs;
- Restoration and management of watersheds;
- Flood prevention; and
- Water conservation or recycling, treatment or reuse of water.

The Water Project Finance Act requires that that Water Trust Board prioritizes projects that:

- Leverage local and federal funds;
- Are shovel-ready;
- Are identified as "urgent to meet the needs of regional water plan accepted by the Interstate Stream Commission"; and
- Implement the State Water Plan

Grant Resources

Unlike the WTB process, which takes close to a year from when applications open to when the money is awarded, applications for LGPF are accepted monthly and grants are made on a reimbursement basis.

The LGPF provides capital necessary for planning of vital public projects including **Preliminary Engineering Reports, Feasibility Studies, Environmental Information Documents, Comprehensive Plans, Asset Management Plans, Water Conservation Plans, Master Plans, Local Economic Development Act Plans, and Metropolitan Redevelopment Act Plans.**

LGPF awards are generally comprised of a local match and grant funds that cannot exceed \$50,000. The total amount of Planning Grant funding per entity may not exceed \$100,000 per 24-month period unless the NMFA Board waives either requirement due to additional availability of funds or critical need.

For more information on how to apply, visit www.nmfinance.com/local-government-planning-fund/ or email LGPF@nmfa.net



Grant-Related Support for Municipalities

New Mexico Municipal League Member Services

League members have access to free grant-related consultation services through a League contract with Petroglyph Consulting. Members can set up consultations to receive help with identification of grant opportunities, explanation of grant requirements, and preliminary review of materials.

Contact: Chuck Thomas, Grants Consultant, Petroglyph Consulting (chuck@petroglyphconsulting.com); Alison Nichols, Director of Policy, NMML (anichols@nmml.org)

Federal Grant Bureau, Department of Finance and Administration

- DFA's Federal Grant Bureau has several grant writers on staff that can assist municipalities.
- The bureau also distributes a weekly summary of grant opportunities.
- DFA has developed a BIL/IIJA dashboard to help identify and learn more about specific funding opportunities. See DFA website: <https://www.nmdfa.state.nm.us/bil-iija-dashboard/>

Contact: Anna Naruta-Moya, Grant Writer Supervisor, Federal Grant Bureau (anna.naruta-moya@dfa.nm.gov)

New Mexico Congressional Delegation

- New Mexico's Congressional delegation employs a funding specialist to help public entities, including municipalities, identify funding opportunities, obtain letters of support for grant applications, and liaise with federal agencies.
- The delegation also distributes a weekly summary of new grant opportunities.

Contact: Lisa Van Theemsche, Funding Specialist (lisa_vantheemsche@heinrich.senate.gov)

New Mexico Self Insurers' Fund Update

Focus on Rates and Premiums, Proactive Loss Control for 2023

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

I hope this message finds you doing well and on the way to recovery after this year's legislative session. As you might have imagined, this year's sixty days were about as busy as they could be, and we're proud of the progress we continue to make for our member insureds and member municipalities across the state. We put local government at the forefront of all we do, and I believe that reality is particularly apparent at this time of year.

This time of year also brings to mind something else important to our membership: insurance rates and premiums. We prioritize equitability and fairness, because when we ask our membership to pay premiums, we think that those premiums and rates should reflect what the actual risk portfolio looks like at the Fund. The Self-Insurers' Board of Trustees approved significant debits to your liability and workers' compensation programs at its February meeting, resulting in another year of significant cost savings for those lines.

Part of program equitability is rendering more current your respective policies and certificates. The idea is that once we've successfully updated your liability, property, and workers' compensation policies, you'll see a program that reflects the values we espouse at our meetings. And when you receive your certificates every July, they'll reflect material that prioritizes fairness, transparency, and ease-of-use for our membership. You should not be surprised with the why or how of your claims process, and we will persist in achieving that aim.

The property appraisal firm that is conducting on-the-ground property appraisals has completed appraisals of approximately 1,900 traditional structures as of this correspondence, and they expect completion of the exercise by the end of April. That may mean that your updated values are included in the reinsurance and excess insurance purchase the Fund is planning to make. While that may not result in a short-term increase to what we've already assessed, you will notice this change when we consider premiums next year. Generally, what CBIZ has seen thus far is a 15-20% increase in buildings and values over and above what our membership reported in the exposure survey last August. While normal for a program that hasn't conducted wide-scale appraisals in some time, if this trend holds, a large increase in total insured value means we have some challenging renewals ahead.

Under the loss control umbrella, we continue to augment and amplify our loss control program. We have issued a request for proposals that addresses some of the frequent requests we hear from you, including drug recognition training and first and fourth amendment training for law enforcement officers. When you look at your risk portfolio, law enforcement use of force claims and unreasonable search and seizure claims are top of mind, and it is important that we invest accordingly in law enforcement engagement. If we can establish additional loss control tools to address those needs, we think we're going to see a difference in how good our policing can be. We want to make sure that police officers receive the front-end care that they need. Often, we spend time talking about how to fix things that have already happened. The Board's view is that we need to spend more time talking about how our law enforcement community can proactively access the tools they need to be effective.

Thank you for your continued interest and engagement in our program. I look forward to seeing you soon!

Deference to Police Officers' Split-Second Decisions Affirmed by Tenth Circuit Court of Appeals

Laura Vega, Litigation Counsel, New Mexico Self-Insurers' Fund



In the case of *Palacios v. Fortuna*, 61 F.4th 1248 (10th Cir. 2023), the United States Tenth Circuit Court of Appeals affirmed a decision from the United States District Court for the District of Utah finding no constitutional violation and granting summary judgment based on qualified immunity in favor of police officers in a situation that resulted in the use of deadly force.

The case involves a response to a 911 call about a man threatening the caller with a gun. The police responded and various body cameras and video surveillance cameras recorded the events. While the Plaintiff argued that

the suspect did not point his gun directly at the officers and was not making a threatening motion, the district court found that videos confirmed that the suspect had a gun in his hand, and it was pointed toward the officers. Ultimately, the Court of Appeals noted the video evidence was inconclusive, but that such a dispute was immaterial in holding that a mistaken belief, if reasonable, does not defeat qualified immunity.

In its analysis of whether the officers acted reasonably, the Court emphasized its consideration of the totality of the circumstances in addition to weighing certain factors including but not limited to: whether the suspect posed an immediate threat to the safety of the officers or others; whether the suspect was given orders; the suspect's compliance with the orders; whether any hostile motions were made toward the officers; and the physical distance between the officers and the suspect.

In this case, despite multiple warnings, the suspect kept picking up his gun. The Court reasoned that it was not unreasonable to view a suspect picking up their gun, ignoring officer commands, and bringing it in front of them as making a hostile motion. Mindful of the possibility that a suspect may simply be pulling out a weapon to discard it rather than to fire it, the Court mentioned that waiting to find out could be suicidal. The Court further observed that a distance between 10 to 20 feet, particularly where the officer was exposed without cover, supported the objective reasonableness of deadly force.

The Plaintiff also argued the suspect was less able to engage in lethal confrontation because he was intoxicated and there was genuine dispute whether the suspect was surrendering once he was on the ground. However, the Court opined that intoxication can in fact increase unpredictable behavior and concluded that a reasonable officer would not perceive that the threat ended merely because the suspect fell, given that he maintained possession of a gun. Taking all these circumstances together, the Court determined that it was not unreasonable to conclude that hand motions near the suspect's waist could indicate that he was preparing to shoot.

The *Fortuna* opinion reminds us that, when determining whether the use of deadly force satisfies the reasonableness requirement of the Fourth Amendment, courts are deferential to the split-second decisions police officers must make in assessing the existence of a deadly threat. According to the Court, an officer's belief need not be correct, so long as it is reasonable, and officers are not required to "await the glint of steel" before taking protective action.

Local Government Priorities in the President's FY24 Budget Proposal

The following article is adapted from content published by the National League of Cities

On March 9, 2023, President Biden released his proposed budget for Fiscal Year 2024 (FY24). The President's Budget communicates the Administration's spending priorities to Congress, which is the first step in the federal budget and appropriations process. Although the President's proposed budget is a good indicator of the Administration's priorities, local leaders should keep in mind that the specific funding levels described in this blog are not final and will likely change as a result of negotiations with Congress before enactment.

This budget is not set in stone but is rather a detailed blueprint for funding the federal government. Now, it is up to Congress to negotiate spending caps for the 12 federal appropriations bills for FY24 and determine final funding levels before the start of FY24 on October 1, 2023.

Local leaders in cities, towns and villages may be wondering what parts of the bill they should keep an eye on. Below are local government priorities included in the President's Budget. The National League of Cities will continue to advocate for local government priorities to be included in any final funding agreement.

Supports Public Safety and Law Enforcement

President Biden's proposed FY24 budget provides \$4.4 billion for combating violent crime and gun violence. The budget also requests \$880 million in discretionary grants to state and local law enforcement agencies and \$3.3 billion in mandatory grants for the Office of Community Oriented Policing (COPS) and the Office of Justice Programs (OJP). The funding for the COPS program includes \$537 million for law enforcement agencies to hire new officers. The budget requests \$88 million to combat drug trafficking and prevent opioid misuse. The budget provides \$200 million for community violence intervention, \$10 million for law enforcement officer training on responding to individuals with mental illness or disabilities and \$40 million for Project Safe Neighborhoods. The budget also increases the funding for juvenile justice programs to \$760 million.

Increases Investments in Environmental Cleanup

The budget includes a significant funding increase for the EPA Brownfields Program, with a proposed total of \$131 million compared to \$100 million in FY23.



This is in addition to the increased funding from the Bipartisan Infrastructure Law.

The Brownfields Program is one of the most useful programs at the local level that supports the revitalization and redevelopment of vacant and abandoned properties that blight communities across the country. For the Superfund Program, the President's Budget proposes \$355.9 million from the general fund, with the balance of the full authorized amount of \$1.283 billion coming from excise tax revenue as reinstated through the Inflation Reduction Act.

Strengthens Water Infrastructure

The budget provides level funding compared to FY23 for the Clean Water and Drinking Water State Revolving Funds (\$1.639 billion and \$1.126 billion respectively) and a slight increase in funding for the Water Infrastructure Finance and Innovation Act Program (\$71.9 million). The budget proposal also includes funding for water infrastructure grant programs such as sewer overflows and stormwater management, water infrastructure workforce development, removing lead from drinking water and more.

Addresses Climate Change and Strengthens Community Resilience

The budget proposal includes funding across every federal agency to advance clean energy and reduce greenhouse gas emissions across sectors, invest in pre-disaster mitigation to strengthen infrastructure and reduce the risk of extreme weather events, and

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advance environmental justice within the communities most impacted by climate change. The President's proposal includes critical funding for programs under the U.S. Department of Energy's State and Community Energy Programs, such as \$437 million for the Weatherization Assistance Program, but it does not include funding for the Energy Efficiency and Conservation Block Grant (EECBG).

Supports Transportation Projects

Only some federal transportation programs require budget appropriations. However, many key programs for cities are included in the budget such as large multimodal programs like the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program, transit capital, technical assistance funding and more.



The President's Budget requests \$1 billion, along with \$640 million in advance appropriations, to support larger intermodal projects that will grow freight and passenger demand in a responsible, effective and safe way. The budget also includes \$100 million for the new Thriving Communities program to provide technical assistance and capacity building for local infrastructure projects, as well as \$100 million for the Reconnecting Communities Pilot Program.

Additionally, the budget recommends \$1.8 billion for the Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) program, which aims to make transportation infrastructure more resilient to future weather events and natural disasters.

Charging and Fueling Infrastructure Grants would provide \$500 million to strategically deploy publicly accessible electric vehicle charging infrastructure and other alternative fueling infrastructure. Fifty percent of this funding prioritizes projects that expand access to electric vehicle charging and alternative fueling infrastructure within rural areas, low-and moderate-income neighborhoods, and communities with a low ratio of private parking spaces. For additional insights see the [U.S. Department of Transportation's Budget Highlights](#).

Supports New Annual Funding for Eviction Alternatives and Prevention

The budget requests an incremental 1.6% increase for discretionary programs at the U.S. Department of Housing and Urban Development (HUD), with the majority of additional funds supporting homelessness assistance and prevention programs and programs to preserve and increase the supply of affordable housing. The budget also requests support for new mandatory spending within the HUD budget.

Under discretionary spending, the President's Budget requests more funding for grants to cities and towns. It requests \$3.3 billion for Community Development Block Grant (CDBG) Programs, which is consistent with the current year, and \$85 million for a second round of competitive grants to localities to overhaul local systems and policies, such as zoning ordinances, to foster more development of affordable and workforce housing. HUD is expected to release a Notice of Funding Opportunity soon for the first round of such funds that were approved in the Omnibus last year. Increases for the HOME Investment Partnerships Program (HOME) and Homeless Assistance Grants are also requested in the budget.

Increases Investments for Broadband Infrastructure

The budget includes additional funding for broadband above and beyond what is allocated in the Bipartisan Infrastructure Law, primarily for rural broadband infrastructure: an additional \$400 million for the U.S. Department of Agriculture's ReConnect broadband grant and loan program, and smaller totals for the Rural Utilities Service's telecommunications program and distance learning and telemedicine program. These programs help to fund and finance broadband services or expansions in rural areas, often served by small, cooperative, or public internet service providers.

The budget also includes a substantial increase for the National Telecommunications and Information

Administration, which is tasked with administering the majority of the broadband grant programs in the Bipartisan Infrastructure Law, as well as a modest increase for the Federal Communications Commission. However, the budget request lacks any additional funding for the Affordable Connectivity Program broadband subsidy, which is anticipated to exhaust its current appropriation in mid-2024.

Supports Substance Use and Mental Health Programs

The FY24 budget proposal significantly invests in behavioral healthcare with an additional \$334 million for the 9-8-8 National Suicide Prevention Hotline, \$100 million for mobile crisis response and \$1.7 billion for the Community Mental Health Block Grant. Additionally, the budget provides \$103 million for the Overdose Prevention Framework, \$50 million for hard reduction programs, \$2.7 billion for the Substance Use Prevention, Treatment, and Recovery Services Block Grant and \$2 billion for the State Opioid Response grant program.



From the Archives: Albuquerque Morning Journal, December 15, 1918

Prominent Men from All Parts of State To Be in City Thursday for Conference

The mayors and city attorneys of the principal cities, towns and villages of New Mexico will assemble in the Chamber of Commerce on Wednesday, December 18, at 9 a.m. for a conference on municipal problems, which it is believed will result in the formation of a New Mexico league of municipalities. The delegates to the conference are coming to Albuquerque to do a great deal of hard work.

Among the cities and towns to be represented by the mayor and city attorney are the following: Raton, Clayton, Las Vegas, Santa Fe, Albuquerque, Belen, Magdalena, Deming, Clovis, Roswell and other progressive municipalities.

The object of the conference is to effect an organization which will suggest much needed remedial legislation to the next legislature. The outline of the program follows, it being anticipated that many pertinent ideas will be developed during the discussion to follow the reading of each paper:

Program:

Address of Welcome, C. F. Wade, chairman, city commission of Albuquerque, N. M.
"Revenue Problems of New Mexico Cities," Mayor E. P. Davies, Santa Fe.
"Taxation," City Manager Hebenstreit of Albuquerque.

"A Code for New Mexico Cities, Towns and Villages," Mayor A. T. Hannett, of Gallup.
"Civic Problems," Mayor F. O. Blood, of Las Vegas.

"Public Utilities and Their Relation to Income," Mr. O. H. Duerr, Consulting engineer, Albuquerque.

"Municipal Affairs as the Legislator Sees Them," Hon. R. P. Barnes, Albuquerque.

"As the Editor Views the Municipality," Mr. M. L. Fox, editor, Albuquerque Morning Journal.

"Needs of a Growing City," Mayor Lester Stone, of Clovis.

"City Manager's Problems," City Manager Jaffa, of Roswell.

Note: each paper will be followed by a discussion.



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