

LEGISLATIVE BULLETIN

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Legislative Session Ends – Budget Signed, Capital Outlay Passes

The Second Session of the 52nd Legislature ended at noon on February 19 and legislators passed a \$6.2 billion budget that has since been signed by the Governor with partial vetoes. In addition to the Budget Bill, House Appropriation and Finance Committee Substitute for House Bill 2 and 4, legislators also passed House Bill 311, Transfers & Reversions to the General Fund, that “swept” money from several funds and programs back to the General Fund. As introduced, the bill would have taken \$4 million from the Enhanced 911 Fund, but that was later amended out of the bill. Another \$4 million was taken from the Local DWI Grant Fund and \$1.2 million was transferred from the Fire Protection Grant Fund to the Spaceport Authority.

As expected, Hold Harmless legislation was introduced this session. House Bill 233, Hold Harmless Payment and Tax Distributions introduced by Representative Jason Harper, states that a county or municipality that has enacted a portion or all of the Hold Harmless Gross Receipts Tax that is in excess of the hold harmless gross receipts tax distribution would lose the hold harmless distribution immediately. If the hold harmless gross receipts tax is less than the distribution, the local government would receive the difference between the tax and the distribution. The bill also amends the Motor Vehicle Excise Tax Act to reduce distributions to the state General Fund over the next 6 years to zero as the distributions to the State Road Fund and to the Local Government Road Fund are increased over that period to a maximum of 60% of the revenue from the motor vehicle excise tax to the State Road Fund and 40% of the motor vehicle excise tax revenue to the Local Government Road Fund. The bill received a Do Pass recommendation from the House Transportation and Public Works Committee but did not make it out of the House Ways and Means Committee. This legislation was opposed by the League

The League had several priority bills introduced during the session. They included:

House Bill 328, County and Municipal Fuels Tax Act introduced by Representative Roberto “Bobby” Gonzales, would have authorized municipalities and counties to impose a gasoline and special fuels tax of 2 cents a gallon, in increments of 1 cent. The bill received a Do Pass recommendation from the House Transportation and Public Works Committee but died in the House Ways and Means Committee.

Several bills concerning increasing funding for the Law Enforcement Protection Fund were introduced this session. They included House Bill 62 introduced by Representative Patricio Ruiloba, House Bill 101 introduced by Representative Bill Rehm, Senate Bill 119 introduced by Senator George Muñoz and Senate Bill 258 introduced by Senator John Sapien. All four bills failed to make it out of committee.

House Bill 171, Law Enforcement Officers Returning to Work introduced by Representative Larry Larrañaga and Senator Stewart Ingle, would have amended the Public Employees Retirement Act to allow law enforcement officers who have retired as of December 31, 2015 to return to work after retirement in the PERA system without losing their pensions. The amended bill passed the House on a 38-29 vote but died in Senate Public Affairs Committee.

House Bill 29, Allow Local Governments Curfew Ordinances introduced by House Majority Leader Nate Gentry and Representative Carl Trujillo, would have allowed municipalities and counties the local option of imposing curfews for children under 16 years of age. The bill contained several exceptions for application of the curfew limits. The League Board indorsed the bill based on the local option provision. The Bill passed the House on a 44-21 vote and received a Do Pass recommendation from the Senate Public Affairs Committee. The bill failed to make it out of Senate Judiciary Committee.

Essential air service legislation passed this session. Two bills concerning aviation service in New Mexico made it through both Houses and now await action by the Governor. House Bill 192, Lodger's Tax for Tourism Services introduced by Representative Candy Spence Ezzell and Representative Bob Wooley, authorizes municipalities and counties to use Lodger's Tax proceeds to subsidize airline fares to increase tourism. House Bill 242, Permanent Distribution to Aviation Fund introduced by Representative Kelly Fajardo, extends the sunset from 2018 to 2021 for the .046 percent distribution to the State Aviation Fund.