

LEGISLATIVE BULLETIN

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Filling the Deficit Hole

Legislators continue to introduce legislation in both Houses covering a variety of issues. However, the focus during the first full week of the 53rd Legislature was on a series of bills aimed at resolving the state's deficit crisis. Those bills are now on the Governor's desk

House Bill 4, Revert Balances of Certain Funds introduced by House Appropriations and Finance Committee chair Patty Lundstrom, passed the House as amended on a 40-26 vote. It then passed the Senate on a 40-0 vote. The bill would require all FY 2017 balances of the Insurance Operations Fund, the Fire Protection Fund, the Fire Protection Grant Fund and the Law Enforcement Protection Fund to revert to the General Fund rather than carry forward for spending in FY 2018. The bill would align each of the funds' revenue with spending during the same fiscal year going forward in FY 2018; the bill temporarily halts spending from the Fire Protection Fund to the Fire Protection Grant Fund, but transfers would begin again in FY 2019 at the 40.2% rate; estimated total reverting to the General Fund is \$10.7 million.

House Bill 5, Capital Outlay Project Changes introduced by Representatives Lundstrom and George Dodge, passed the House on a 37-29 vote. The Senate amended the bill and the House failed to concur. One of main points of contention is the suspension for one year of the Severance Tax Bond capacity earmarked for water, tribal and colonias infrastructure funds. Those points were resolved and the bill advanced.

Senate Bill 113, Reduce Appropriations & Transfer Funds introduced by Senators John Arthur Smith and Carlos Cisneros, passed the Senate on a 41-0 vote. The House Appropriations and Finance Committee amended the bill and then the House passed it on a party-line vote of 37-30. However, the Senate failed to concur with the House amendment and the House failed to recede from its actions forcing a Conference Committee to convene. On Wednesday, both chambers agreed and sent the bill to the Governor.

Senate Finance Committee Substitute for Senate Bill 114, School District Cash Balances introduced by Senators Steven Neville and John Arthur Smith, encountered the same situation. The Substitute took approximately \$50 million in reserves from school districts. This passed the Senate on a 39-2 vote. In the House, the Substitute was amended in House Appropriations and Finance to lower that figure. Again, the Senate failed to concur and the House failed to recede. A Conference Committee produced a figure of approximately \$46 million. Both Houses approved the bill.

House Bill 63, Local Option Fuel Tax introduced by Representative Bobby Gonzales and Randy Crowder, is scheduled to be heard in the House Local Government, Elections, Land Grants and Cultural Affairs Committee on Thursday. The bill expands the fuels that may be taxed by a municipality or county and dedicates the proceeds for use only for public bridge and highway projects. Retail sellers of gasoline or special fuels must register with the municipality as a seller of fuel. The tax may be imposed at a rate of up to \$.05 per gallon by ordinance of the county or municipality in \$.01 increments. Before the ordinance goes into effect it must be approved by the voters of the county or municipality. The same Committee is also slated to hear House Bill 40, Municipality Officer Recall Elections introduced by Representative Dennis Roch. The bill requires that petitions for a recall of a municipal official in a commission-manager form of government shall not be distributed until the official subject to recall has had the opportunity to respond to the allegations set forth by the proponents of the recall and a district court finds that probable cause exists for the recall.

Senate Bill 86, Water Rights Notices Posted Online introduced by Senator Carlos Cisneros and Representative Tomas Salazar, received unanimous Do Pass recommendation from the Senate Conservation Committee. The bill requires the State Engineer to post applications, hearing notices, protest hearings and other water rights issues online.

LEAGUE OFFICE PARKING DURING THE SESSION

Because of the demand for parking around the Capitol during the session, we must protect the availability of parking for our municipal officials and staff. In order to reduce the possibility of accidents, a few areas in our lots are designated by signs as “NO PARKING” AREAS.” If you are visiting the session and need to park in the League lots, please help us by observing the following rules:

- 1. Do not park in the areas designated as “NO PARKING” zones.*
 - 2. Obtain a League Parking Permit from the reception desk and leave it on the rear-view mirror of your car so that it’s easily visible.*
 - 3. DOUBLE PARKING OR PARKING BEHIND ANOTHER CAR IS NO LONGER PERMITTED IN OUR LOTS.*
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YOUR LEGISLATIVE BULLETIN

This is the first in the series of weekly League **Legislative Bulletins** designed to communicate with municipal officials, legislators and the Executive Branch of state government.

This year the League will publish the **Bulletin** electronically and will not distribute a printed copy. We will post the **Bulletin** on Friday mornings on the League’s website under the listing of “Publications.” We will then e-mail a link to the document to our membership through our list serve that we use to distribute *The Municipal Reporter*.

Municipal officials who receive the **Bulletin** include all mayors, commissioners, councilors, trustees, managers, clerks, municipal judges, police chiefs and many other municipal officials.

The **Legislative Bulletin** contains:

- ◆ a brief review of all bills of municipal interest of which we have received a copy since the prior Bulletin (it will save you and us time if you make a note of the House or Senate Bill number you are interested in);
- ◆ a brief analysis of key legislative developments of the past week;
- ◆ detailed explanations of key municipal bills; and, perhaps,
- ◆ an Action Call if any important municipal bill is scheduled to be heard in committee or on the floor of either house.

Your legislator can be reached by name through the **Legislative Switchboard: (505) 986-4300** in Santa Fe. For those of you on line, the Legislature’s web site also contains the e-mail addresses of those legislators who use the service. That address is: <http://www.nmlegis.gov>. Also check the League’s web site (www.nmml.org) for League information.

CAPITAL PROJECT FUNDING BILLS

Capital outlay project requests in recent years have not been introduced as legislative bills, but submitted as “capital outlay requests.” All approved requests are then included in a major capital outlay bill for final passage.

In past years we have reported these requests as we received the printed copies. The legislature will track all capital outlay requests electronically only. Therefore, we are no longer able to report the requests for you as we had in the past. However, the good news is that all requests will be listed on the legislative web site at nmlegis.gov (click on Capital Outlay). Each request is listed under the appropriate county and then alphabetically by title and includes the description of the request along with the dollar amount. Legislative Council Service will be updating the information every Tuesday and Friday evenings so the new introductions will be available for you early on Wednesdays and Saturdays. As always, you can contact your legislators directly to find out when your project will be scheduled for hearing.

BIOGRAPHY OF A BILL

A bill is introduced by a sponsoring legislator on the floor of either house, numbered by the clerk and referred for consideration to one or more committees of that house. The deadline for introduction of all bills except appropriations bills or bills requested by the Governor (*special messages*) is Noon on the 30th day of a 60-day session (**February 16**).

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

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

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

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

If the bill passes the second house and it has been amended or substituted by the second house, the originating house must concur or fail to concur with the changes. If the originating house fails to concur, a conference committee representing both houses is appointed to decide what to present to both houses for acceptance.

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

Most bills do not reach the Governor's desk before the Legislature adjourns (**Noon, March 18**). The Governor has 20 days following the close of the session (**Noon, April 7**) to sign, veto or fail to sign (*pocket veto*) any bill that he did not act on during the session. Any bill is much more likely to have died in committee or on the floor before even reaching the Governor's desk.

In New Mexico, no more than 1/4 to 1/3 of bills introduced ever make it all the way to enactment. The historic trend in New Mexico is for more and more introductions each succeeding session.

ABBREVIATION CODE

HB	House Bill	SB	Senate Bill
HCR	House Concurrent Resolution	SCR	Senate Concurrent Resolution
HJR	House Joint Resolution	SJR	Senate Joint resolution
HJM	House Joint Memorial	SJM	Senate Joint Memorial
HM	House Memorial	SM	Senate Memorial

* Contains Emergency Clause (effective immediately on Governor's signing)
 CA - Constitutional Amendment (requires approval by statewide electorate)

	HOUSE COMMITTEES	HCW	Committee of the Whole
HAFC	Appropriations and Finance	HEEC	Enrolling and Engrossing
HAWC	Agriculture and Water Resources		
HBIC	Business and Industry	SENATE COMMITTEES	
HCPAC	Consumer and Public Affairs	SCC	Committee's Committee
HEC	Education	SCONC	Conservation
HENRC	Energy, Environment and Natural Resources	SCORC	Corporations and Transportation
HHHC	Health and Human Services	SCW	Committee of the Whole
HJC	Judiciary	SEC	Education
HLEDC	Labor and Economic Development	SFC	Finance
HRC	Rules and Order of Business	SIAC	Indian and Cultural Affairs
HLELC	Local Government, Elections, Land Grant & Cultural Affairs	SJC	Judiciary
HSIVC	State Government, Indian & Veterans Affairs	SPAC	Public Affairs
HTRC	Taxation & Revenue	SRC	Rules
HTPWC	Transportation, Public Works & Capital Improvements		

Bill Introductions through Wednesday, January 25, 2017

- HB 140 CAPITAL OUTLAY PROJECT AUDITS (Ely)** Enacts new material; the bill requires that each agency that administers capital outlay funding for projects that receive \$1million or more from state funds be audited at completion of the project by special audit apart from the agency's annual audit or any other special audit required at the. Effective 7/1/17. HTPWC
- *HB 141 PUBLICATION OF CAPITAL OUTLAY FUNDING (Ely)** Enacts new material; the bill requires the legislative council service to post on the legislative website within three days after it is signed, the projects approved in the capital outlay bill, all of the sponsors of each project and the portion of funding for the project appropriated by that legislator. EMERGENCY CLAUSE. HTPWC
- HB 149 CRIME OF AUDIT OBSTRUCTION (Thomson)** Amends §12-6-1 and enacting new material; the bill amends the Audit Act by adding a new section creating a fourth degree felony for obstruction of an audit being made on behalf of the state auditor. Effective 7/1/17. HCPAC
- HB 151 DWI INTERLOCK REMOVAL REQUIREMENTS (Thomson)** Amends § 66-5-33.1; the bill increases the requirements which must be met prior to reinstatement of a driver's license after revocation due to driving while under the influence of intoxicating liquor or drugs. An applicant for reinstatement must be able to show no more than two incidents recorded by the interlock device of measurable amounts of alcohol in the breath of the offender in the six month period immediately prior to reinstatement and evidence of at least one interlock test in each of the twenty-four weeks prior to reinstatement. HCPAC
- HB 157 FIREFIGHTER PTSD & MENTAL HEALTH (Armstrong)** Amends §52-3-32.1; the bill adds post traumatic stress disorder to the list of medical conditions that are considered to result from a firefighter's employment, provided that the medical condition was not identified during the initial employment physical. HHHC.
- HB 162 LOCAL OPTION FOR LIQUOR SALES HOURS (Johnson)** Amends §60-7A-1; the bill provides that McKinley County or a municipality in that county may by ordinance restrict the hours of package sales. Current law allows package sales between 7 a.m. and 11 a.m. Monday through Saturday, but sales may be restricted during these hours by the municipal or county ordinance. Effective 7-1-17. HBIC
- HB 164 CONSERVANCY DISTRICT ROADWAY LIABILITY(Small)** Amends §41-4-11; current law provides for a waiver from the liability exemption provided by the Tort Claims Act for public employee's negligent acts on conservancy or irrigation district property open to public travel if the negligence causes death, bodily injury or property damage to members of the public, thus making irrigation and conservation districts liable for certain negligent acts of their employees. The bill reinstates the liability exemption for negligent acts of public employees on conservancy or irrigation district roads or bridges if the district has an agreement requiring the state to maintain those roads or bridges. HAGC
- HB 167 CAR EXCISE TAX TO ROAD FUND FOR 4 YEARS (Little)** Amends §7-14-10; the bill increases the percent of the motor vehicle excise tax deposited in the motor vehicle suspense fund over a four year period. Currently 100% of the motor vehicle excise tax is deposited in the General Fund, and pursuant to HB 167, beginning with net receipts collected on or after July 1, 2017, and on July 1 of each year thereafter, the amount transferred to the motor vehicle suspense fund increases by 25% over the prior year until 100% of the net receipts collected on or after July 1, 2020 is deposited in the motor vehicle suspense fund. HTPWC
- HB 174 LOCAL ELECTION ACT (Smith, J, Ivey-Soto)** Amends §§§§§§(about 102 sections)1-1-19, 1-2-1.1, 1-3-2, 1-3-4,1-3-7, 1-6-1, 1-6B-2 through 1-6B-4, 1-6B-6, 1-6B-7, 1-12-71, 1-14-14, 1-16-8, 1-22A-2, 1-22A-3, 1-24-3, 3-1-5, 3-2-5, 3-2-8, 3-3-2, 3-3-4, 3-4-1, 3-4-3, 3-5-1, 3-10-1, 3-11-5, 3-12-1, 3-13-1, 3-14-2, 3-14-8, 3-14-9, 3-14-19, 3-15-10, 3-15-11, 3-21-19, 3-21-20, 3-23-2, 3-23-5.1, 3-30-6, 3-30-7, 3-31-4, 3-41-2, 3-54-1, 4-48A-16, 4-48A-17, 4-49-8, 5-10-4, 6-6-19, 6-15-26, 7-19D-9, 7-19D-15, 7-19D-17, 7-24A-11, 21-13-8, 21-16-5.1, 21-16-14, 21-16-20, 21-16A-6, 22-7-13, 22-18-2, 22-18-4, 22-18-8, 22-25-5, 22-26-5, 22-26A-10, 22-26A-11, 60-5A-1, 60-7A-1, 62-6-5, 72-16-22, 72-16-28, 72-16-

89, 72-17-1, 72-17-10, 72-17-11, 72-17-13, 72-17-22, 72-17-28, 72-17-44, 72-17-89, 72-18-1, 72-18-13 through 72-18-15, 72-18-35, 72-18-35.1, 72-19-1, 72-19-4, 72-19-8, 72-19-10, 72-19-11, 72-19-13, 72-19-28, 72-20-4, 72-20-8, 72-20-10, 72-20-11, 72-20-13, 72-20-28, 73-20-1, 73-20-37, 73-20-38, 73-20-46, 73-21-14 and 73-21-28 and enacts new material; the bill repeals the School Election Law and enacts the Local Election Act in its place. Elections will take place on the first Tuesday after the first Monday in October beginning in 2019. "Local government" means municipalities, including home rule municipalities, special districts, school districts, irrigation districts and other districts. The secretary of state issues the proclamation calling an election and the election is administered and conducted by the county clerk of the county in which the local election will occur, according to provisions of the Election Code. Precincts remain the same as in the immediately preceding general election and partial precincts may be created if a precinct is only partially in the district. Candidates must reside and be registered to vote in the district in which they seek office. Local elections are nonpartisan elections. Effective 7/1/18. HLELC/HJC

- HB 176 MUNI ENVIRO SERVICES GROSS RECEIPTS (Ezzell)** Amends §§5-15-15 & 7-19D-10; the bill expands the permissible use of the municipal environmental services gross receipts tax to include municipal infrastructure improvements or projects and changes the name of the tax to the municipal infrastructure and environmental services gross receipts tax. Authorization for use of the municipal infrastructure and environmental services gross receipts tax to secure gross receipts tax increment bonds is provided in the bill for funding municipal infrastructure and environmental services. HLELC
- HB 202 TAX OF BUSINESSES WITHOUT PHYSICAL PRESENCE (Trujillo, C)** Amends §§§§§7-1-14, 7-1-29, 7-9-3.3, 7-9-3.5 and 7-9-7.1; the bill amends the Gross Receipts and Compensating Tax Act to: define place of business for a business with no physical presence in the state as the location of the sales or delivery of the property or business being transferred; allow the department to offset refunds due to a taxpayer of gross receipts taxes paid against compensating tax or other taxes owed by that taxpayer; defines that a business without a physical presence in the state that generates \$100,000 or more is "doing business in the state" and therefore generating taxable gross receipts liable for payment of gross receipts tax; and barring the Taxation and Revenue Department from enforcing collection of gross receipts tax if the tax was due in a tax period occurring prior to 7/1/17 and the taxpayer had no physical presence in the state and did not report any taxable gross receipts in the period. Effective 7/1/17. HBIC
- HB 205 VACANT RURAL BUILDING ACT (Dow)** Amends §3-17-6 and enacts new material; the bill encourages the use of vacant commercial buildings in rural municipalities or villages by providing small business variances from requirements of building codes. Unsafe conditions must be corrected before the business can occupy the vacant commercial property. HLELC
- HB 206 UNAFFILIATED VOTERS IN PRIMARY ELECTIONS (Garcia Richards)** Amends §§§§§§1-4-15, 1-6-5, 1-12-7, 1-12-7.2, 1-12-20, 1-15A-2, 1-15A-8; the bill enables a registered voter who has declined to state a party affiliation on the person's voter registration to choose a party at the time of a primary election and proceed to vote in that party's primary. By choosing a party affiliation for purposes of voting in a primary election, a declined to state voter does not change his lack of party affiliation for any other purpose. Persons who have stated a party may not change their party affiliation to vote in another party's primary election. Effective 7/1/17. HLELC
- HB 213 REPEAL PUBLIC WORKS MINIMUM WAGE ACT (Scott)** Repeals §§§§§§13-4-10 through 13-4-17; the bill repeals the Public Works Minimum Wage Act beginning 7/1/18. HELDC
- HB 217 INCREASE CAP FOR VETERAN CONTRACTOR BIDDING (Crowder)** Amends §13-4-2; the bill increases the maximum annual gross revenue cap of \$3 million that a contractor may earn in the year prior to applying for a veteran's contractor preference to A maximum gross revenue of \$10 million. Effective 7/1/17. HSIVC
- HB 218 LITTER CONTROL & LANDSCAPE BEAUTIFICATION (Dow)** Amends §§§§§67-16-3 through 67-16-5, 67-16-7, 67-16-7 and 67-16-12 and enacts new material; the bill amends the Litter Control and Beautification Act to create the New Mexico clean and beautiful advisory committee that supplants the

litter control council and is responsible for advising the tourism commission on activities that conform to the federal Keep America Beautiful Act and to inform the commission of litter control activities that will help support keeping the state litter free and beautiful. The bill repeals §67-16-10. Effective 7/1/18. HSIVC

- HB 219 TRANSFER ANIMAL SHELTERING BOARD (Hall)** Amends §§§§§§§§§§§§61-14-2, 61-14-4, 61-14-5, 61-14-12, 61-14-14, 61-14-20, 77-1B-2 through 77-1B-4, 77-1B-9, 77-1B-11; the bill puts the administration of the Animal Sheltering Act under the Board of Veterinary Medicine. Section 6 extends the life of the Board of Veterinary Medicine to July 1, 2023. Effective 7/1/18 (Sections 1- 5 and Sections 7-15), Section 6 is effective 7/1/17. HCPAC
- HB 223 INCREASE CARELESS DRIVING PENALTIES (Ferrary)** Amends §66-8-114; the bill links the penalty for careless driving to the punishment for a misdemeanor in the Criminal Code, §31-19-1, which provides for up to 364 days of incarceration as well as fines. Effective 7/1/17. HJC
- HB 225 LIVE AND ARCHIVED PUBLIC MEETING WEBCASTS (Fajardo)** Amends §10-15-1; the bill requires public bodies and policy making bodies conducting a public meeting to provide live video and audio transmissions of those meetings. The department of information technology may be requested to assess the feasibility of providing live video or audio transmissions of a meeting, and if it is not feasible, issue a determination stating the department's finding. Exemptions can be made for one year. All transmissions are public records and must be archived. Effective 7/1/17. HLELC
- HB 227 USE OF PUBLIC DATABASES (McQueen)** Amends §14-3-15.1; the bill removes the restriction for use of agency databases for any political purpose but retains the prohibition against use without written permission from the agency for use for commercial purposes. Effective 7/1/17. HSIVC
- HB 235 PEACE OFFICER SURVIVOR BENEFITS (Ruiloba)** Amends §29-4A-1 to change the name to Peace Officers' Survivors Supplemental Benefits Act; peace officer is any full-time commissioned or certified law enforcement officer that is part of or administered by the state or a political subdivision of the state and included corrections officers and members of the New Mexico Mounted Patrol; creates the Peace Officers' Survivors Fund. HSIVC
- HB 236 FIRST RESPONDER DEATH BENEFITS (Ruiloba)** Amends §52-1-1.1; adds emergency medical services first responder, emergency medical technician, emergency response provider and firefighter to the definitions in the Workers' Compensation Act; a first responder is: 1) a municipal police officer; 2) a county sheriff or deputy sheriff; 3) a marshal or deputy marshal; 4) a New Mexico ranger; 5) a New Mexico Mounted Patrol officer; 6) a New Mexico state police officer; 7) a member of the New Mexico National Guard; 8) a member of the New Mexico wing of the Civil Air Patrol; 9) a member of search and rescue; 10) an emergency medical technician, paramedic or EMS first responders; 11) a firefighter; and 12) an emergency response provider; the remarriage of a widow or widower of a first responder who died of a compensable injury occurring in the course and scope of employment or while providing services as a volunteer shall not render the widow or widower ineligible for death benefits. Effective 7/1/17. HLEDC/HBIC
- HB 246 CRIMES IN & DEFINITION OF EVACUATION ZONE (McQueen)** Amends several sections; increase penalties for criminal trespass, breaking and entering, criminal damage to property larceny, burglary, aggravated burglary and unlawful taking of a vehicle in an evacuation zone; defines evacuation zone as an area designated as an evacuation zone by local or state officials in response to a natural or industrial disaster that poses a significant threat to public safety or property. Effective 7/1/17. HCPAC/HAFC
- HJR 6 TOP TWO CANDIDATES OPEN PRIMARY ELECTIONS (Maestas)** Amending Article 7 of the Constitution of New Mexico by adding a section that allows a voter to vote in a voter-nomination primary election, in which all candidates, regardless of party preference or affiliation for a partisan office, are listed on the same ballot. The two candidates receiving the greatest number of votes shall appear as opponents on the general election ballot. The offices that would be subject to this process would be US

senator and representative, all state elective offices and all county elective offices, unless a home rule charter provides otherwise for a specific county officer. HLELC

- SB 117 ALLOW BALLOT SELFIES (Candelaria)** Repeals §1-12-57 that prohibits a voter from showing the content of the voter's ballot in order to allow ballot "selfies." SRC/SJC
- SB 122 WORKERS' COMP APPEALS PROCESS (Candelaria)** Amends §34-5-8 to remove the Court of Appeals as the court to appeal a decision under the Worker's Compensation Act, New Mexico Occupational Disease Disablement, Subsequent Injury Act and the Federal Employers' Liability Act; creates a worker's compensation appeals panel to hear appeals. SCORC/SJC/SFC
- SB 123 TAX REFORM (Sharer)** SB 123 is a broad reform of the state and local tax structure. The Bill proposes elimination of most gross receipts exemptions and deductions. This will vastly broaden the tax base for both municipalities and counties as well. All local option gross receipts taxes for the municipalities are collapsed into a re-formulated municipal gross receipts tax. The maximum municipal gross receipts tax rate is 0.50%, imposed in increments of 0.05%. Similar changes occur for counties. In addition, the decades-old distribution (currently at 1.225%) to municipalities from the state gross receipts tax is eliminated. All this happens January 1, 2018. Part of the gross receipts tax broadening is repeal of the exemption for wages, converting all wage-earners into gross receipts taxpayers. They will also be subject to municipal and county gross receipts taxes.

FISCAL IMPLICATIONS

Little information is available about the scope of the reformed municipal gross receipts tax base on a municipality-by-municipality basis. (There is more information ascertainable for counties.) All that is known is that, come January 1, 2018, no municipal GRT rate may exceed 0.5%. It is likely that for many, perhaps a majority of, municipalities will see a decline in the total municipal gross receipts tax revenues.

SIGNIFICANT ISSUES

- 1) The transition to the reformed municipal GRT regime is not automatic. To receive any gross receipts tax revenues after January 1, 2018, each municipality must enact an ordinance imposing some increment of reformed municipal GRT. As the bill is written, none of these ordinances can become effective before July 1, 2018 since the tax itself does not exist until January 1, 2018. Therefore every municipality will receive no municipal gross receipts revenue from March through August 2018.
- 2) Even assuming point 1) above is resolved, many municipalities have dedicated proceeds from one or more of their gross receipts tax impositions to the payment of bonded indebtedness, including coverage covenants. It is not clear that the revenues from the reformed municipal gross receipts tax will cover both the debt repayment obligations and the associated coverage requirements. This may force at least technical defaults.
- 3) Even if the debt repayment obligations can be covered, the remainder of gross receipts tax proceeds flowing the municipal general fund may be insufficient to even minimally fund the municipality's core functions.
- 4) The problem of adequacy of revenue is compounded by two additional fiscal blows to municipalities:
 - a) the municipal distribution at §7-1-6.4 is subsumed into the reformed municipal GRT, as if it were another local option GRT. This revenue stream currently is a sizeable chunk of the gross receipts-derived revenues of every municipality;
 - b) the hold harmless distributions to local governments are summarily cut out--and not just for the larger municipalities and counties.The repeal of these distributions makes it highly likely that total municipal tax revenues in most municipalities will be seriously eroded, threatening delivery of police, fire, justice, health and other core functions--even if the municipalities enact the maximum 0.5% tax.

- SB 124 LOCAL OPTION FOR LIQUOR SALES HOURS (Shendo, Muñoz)** Same as HB 162. SIAC/SCORC
- *SB 131 GAS TAX, ROAD FUND AND DISTRIBUTIONS (Smith, Gonzales)** Amends §7-13-3 to raise the gasoline tax to \$.27 per gallon until July 1, 2019 than indexes the rate based on a chained price index for non-residential construction calculated by the U.S. Bureau of Economic Activity; raises the tax on special

fuels to \$.31 per gallon until July 1, 2019 with the same chained price index thereafter. The bill creates the State Road Maintenance Fund and appropriate 5 cents of the increase to the Tax Stabilization Reserve Fund for up to five years and five cents to municipalities and counties. EMERGENCY CLAUSE
SCORC/SFC

- *SB 132 GAS TAX, ROAD FUND AND DISTRIBUTION (Smith, Gonzales)** Same amount of increase and indexing as in SB 131, except the distribution to the Tax Stabilization Reserve shall be until the price of oil reaches \$67 per barrel for six months; five cent of the increase goes to the state and five cents goes to municipalities and counties. EMERGENCY CLAUSE. SCORC/SFC
- SB 136 DRIVER'S LICENSE FOR SOME WITH ONLY 1 DWI (Muñoz)** Amends §66-5-5 to allow a driver's license for a person who has one conviction for driving under the influence pursuant to the laws or ordinances of any other state, the District of Columbia or any governmental subdivision and presents proof to the division that the person completed all conditions of the person's sentence for a conviction in the other jurisdiction, whether or not installation of an ignition interlock was a condition of the sentence. SPAC/SJC
- SB 143 NM INFRASTRUCTURE INVESTMENT ACT (Padilla)** New material creates the New Mexico Infrastructure Investment Act; the Act authorizes state agencies and local government to enter into public-private partnerships for the development of public projects; public projects include: 1) buildings other than public housing that meets a public purpose; 2) utility, telecommunications, broadband, energy and other communications infrastructure; 3) conservation of natural resources; 4) improvements to any unimproved state-owned or locally-owned real estate; the Act sets out numerous regulations concerning a public-private partnership; the Procurement Code applies to any partnership project; requires the General Services Department to review such partnerships; sets out guidelines for recordkeeping; authorizes a partnership to use any lawful method of funding to be used, including grants, bonds and other federal, state and local revenues. Effective 7/1/17. SCORC/SJC/SFC
- SB 149 CRIME VICTIM & WITNESS CONFIDENTIALITY (Candelaria)** Amends §14-2-1 to exempt the inspection of public records for victims of or witness to an alleged crime of: 1) aggravated assault; 2) assault with an attempt to commit a violent felony; 3) assault against a household member with intent to commit a violent felony; 5) stalking; 6) aggravated stalking; 7) criminal sexual penetration; or 8) criminal sexual contact. Effective 7/1/17. SPAC/SJC
- SB 153 DISTRIBUTION OF LIQUOR EXCISE TAX TO DWI FUND (Smith)** Amends § 7-1-6.40; makes the distribution from the Liquor Excise Tax to the DWI Grant Fund at 41.5% annually; removes the provision that from June 30, 2015 to June 30, 2017, a distribution of 39% is made from the Liquor Excise Tax to the Lottery Tuition Fund. Effective 7/1/17. SCORC/SFC
- SB 155 WORKERS' COMP BENEFIT CLARIFICATION (Candelaria)** Amends §§52-1-25.1 and 26; if the worker is responsible for the separation from employment and that separation is unrelated to the on-the-job injury, the worker shall not receive temporary total disability; if the worker is responsible for the separation from employment and that separation is unrelated to the on-the-job injury, the permanent partial disability rating shall be equal to the impairment rating. Effective 7/1/17. SCORC/SJC
- SB 156 WORKERS' COMP SUBROGATION RIGHTS (Candelaria)** Amends §52-5-17 to grant to employers the right to pursue an action against a 3rd party that caused an injury or disablement to its employee if the injured worker does not pursue an action within a year of the injury or if pursued and subject to dismissal of the action for lack of prosecution. Allows the employer to intervene in a 3rd party action to preserve the employer's interests. Gives the employer a right of reimbursement for benefits paid. SCORC/SJC
- SB 158 EXEMPT UNPAID WARRANTS FROM IPRA (Tallman)** Amends §14-2-1; exempts outstanding unpaid warrants issued by a public body but not cleared by its fiscal agent bank from the Inspection of Public Records Act. SPAC/SJC

- SB 167 FREEDOM FROM UNWANTED SURVEILLANCE ACT (Ortiz y Pino)** New material creates the Freedom from Unwarranted Surveillance Act; prohibits a person, a state agency, a law enforcement agency or political subdivision of the state from using a drone or unmanned aircraft with the intent to gather evidence or other information pertaining to criminal conduct on private property without a warrant; drones shall not be used to conduct surveillance of a person or of property owned by a person, a farm or agricultural operation without consent of the person; drones may be used under exigent circumstances; requires information collected to be kept in a complete and unbroken chain of custody; no information collected in violation of the Act shall not be admissible as evidence in a civil or criminal proceeding; violation of the Act is a misdemeanor and a second or subsequent violation is a fourth degree felony. SPAC/SJC/SFC
- SB 174 INCREASE DWI PENALTIES (Sharer)** Amends §31-12-7 to increase the fees for conviction of DWI from \$75 to \$100 for a first conviction, \$200 for a second and \$300 for a third or subsequent conviction that is to fund community programs against DWI; amends §66-8-102 to increase the amount of community service for a first conviction from 24 to 80 hours and for a third conviction from 96 to 240 hours. Effective 7/1/17. SPAC/SJC/SFC
- SB 178 CONSERVANCY DISTRICT ROADWAY LIABILITY (Papen)** Amends §41-4-11; all irrigation and conservancy districts that authorize any part of their property to be used as a road available for use by the general public, and their employees acting lawfully within the scope of their duties, are excluded from the waiver of immunity for liability, provided that: 1) the district has entered into a written agreement with the state agency or governmental entity operating or maintaining the road; 2) the agency or governmental entity has agreed to assume the operation and maintenance of that portion of the property; and that the agency or governmental entity operating the road shall be subject to liability provided in the Tort Claims Act. SCONC/SJC
- SB 198 WATER TRUST FUND SOLVENCY – GF (Campos)** Appropriates \$18 million from the General Fund to the Water Trust Fund to carry out the purpose of the Water Trust Fund. SCONC/SFC
- SB 201 SALON LIQUOR LICENSE (Sapien)** New material creates a salon liquor license; salon means a business that offers the following services: 1) hair care; 2) skin care; 3) nail; care; or 4) body care, massage or wraps. SRC/SCORC
- SB 202 FORFEITURE CHANGES (Ivey-Soto)** Amends several sections of the Forfeiture Act; the Act shall apply to all forfeitures in the state; makes law enforcement agencies responsible for application of the Act instead of the state; increases the time a person claiming interest in property to file a request for a writ of replevin from 60 days to 120 days; eliminates the requirement to publish a copy of the complaint in a newspaper of general circulation. EMERGENCY CLAUSE. SPAC/SJC
- SJR 10 CA: NONPARTISAN JUDICIAL ELECTIONS (Candelaria)** Proposes to amend Article 6, Section 33 of the New Mexico Constitution to make elections for justices of the Supreme Court and judges for the Appeals Court, District Court or Metropolitan Court be nonpartisan; subsequent retention elections would remain non-partisan. SRC/SJC
- SM 24 NORTHEASTERN NM WATER STUDY (Campos)** Requests the State Engineer, the Interstate Stream Commission and water stakeholders in northeastern New Mexico study and develop ways of addressing water shortage issues in northeastern New Mexico, including identifying water sources outside of the region and developing a pipeline to some other large-scale regional water project to bring water to the area. SRC/SCONC