

LEGISLATIVE BULLETIN

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Bills Move through Committees and See Floor Action

With just two weeks left for the First Session of the 53rd Legislature, lawmakers continue to debate several issues concerning the state's financial status. The General Appropriation Act of 2017 and a bundle of tax reform measures have passed the legislature but have not been acted on by the Governor.

Senate Finance Committee Substitute for Senate Bills 95 and 131, Gas Tax Increase & Distribution, originally introduced by **Senator Clemente Sanchez and Senator John Arthur Smith** respectively, passed the Senate on a 29-13 vote. The bill raises the gasoline tax by 10 cents per gallon and the special fuels tax by five cents per gallon. One-half of the new revenues from the fuel tax increases are to be distributed to the Tax Stabilization Reserve until that amount reaches five percent of the General Fund and the other half is to go to local governments. The bill also raises the Motor Vehicle Excise tax from three to four percent and dedicates a portion of the Petroleum Products Loading fee to the Stabilization Reserve. How the Governor will view the tax increases remains unknown.

House Taxation and Revenue Committee Substitute for House Bill 202, Tax of Businesses Without Physical Presence originally introduced by **Representative Carl Trujillo**, which had passed the House on a 37-32 party-line vote, received a Without Recommendation nod from the Senate Corporations and Transportation Committee. The substitute includes several measures including taxing both non- and for-profit hospitals and health care service providers. The tax on health care does contain a 60 percent deduction so that health care providers and hospitals would pay tax on 40 percent of revenues. The bill also raises the Motor Vehicle Excise Tax from three to four percent and proposes to tax sales made over the Internet. It also increases the permits fees for heavy trucks and diverts \$900,000 a year from the Legislative Retirement Fund to the General Fund. The bill now goes to Senate Finance Committee.

Several measures have passed at least one House.

House Taxation and Revenue Committee Substitute for House Bill 176, Municipal Environmental Gross Receipts originally introduced by **Representatives Candy Spence Ezell, Greg Nibert and Bob Wooly**, passed the House on a 60-0 vote. The substitute bill increases the use of the Municipal Environmental Service Gross Receipts Tax to include the collection of solid waste and disposal of demolition debris and infrastructure necessary for storm water runoff control. The tax may be imposed in a Class B County with a net taxing valuation of \$600,000,000 and with a population of less than 25,000 by a municipality in that county that has a population of more than 6,500 but less than 7,800 or a municipality that has a population of more than 1,500 but less than 2,000.

Senate Bill 236, Tax Average Distribution or Transfer Amount introduced by **Senator Carroll Leavell**, passed the Senate on a unanimous vote of 40-0. The bill defines average distribution of transfer amount as 1) the average monthly amount distributed or transferred to a municipality or county in the 36-month period preceding the current month; 2) if a distribution or transfer to a municipality or county has been made for less than 3 years, the average monthly amount distributed or transferred in the 12-month period; or 3) if a distribution or transfer to a municipality or county has been made for less than 12 months, the monthly average amount distributed or transferred to the municipality or county in the months preceding the current month.

House Bill 266, Short-Term Rental Occupancy Tax introduced by **Representative Carl Trujillo**, passed the House on a 61-0 vote. The bill eliminates an exemption from the Occupancy Tax for establishments that rent or lease three or fewer rooms or that have three properties in the same property tax jurisdiction each with one short-term rental offered or some combination of those properties and rentals. The bill removes an unanticipated tax exemption for homeowners who rent rooms through third-party websites and applications. According to a financial analysis by the Legislative Finance Committee, municipalities collected more than \$47 million in FY 2016 from the Occupancy Tax.

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		

Legislation Introduced through Wednesday, March 1, 2017

- SM 115** **IMPORTANCE OF LAND GRANT COMMUNITIES (Candelaria)** The importance of New Mexico land grant communities is affirmed and that the New Mexico Councils of Government are requested to support membership of New Mexico land grant communities in the Councils of Governments. SRC/SCONC
- SM 117** **NO AUGUSTIN PLAINS RANCH WATER PERMIT (Muñoz, Sanchez)** Requests the Office of the State Engineer refrain from issuing a permit to Augustin Plains Ranch to appropriate 54,000 acre-feet of water; cites several municipal, county and tribal protests being filed. SRC/SCONC
- SM 122** **STUDY COMMUNITY SOLAR DEVELOPMENT (Stefanics)** Requests the Public Regulation Commission to convene a task force to develop recommendations for legislation that will support community solar projects planned by local governments, political subdivisions or state post-secondary educational institutions and to facilitate the acceptance and use of electricity generated by these projects by utilities and electric cooperatives; the New Mexico Municipal League is one of the participants. Requests a report to the appropriate interim committee by July, 2018. SRC/SCONC