

LEGISLATIVE BULLETIN

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Sine Die, and no Outlay

The First Session of the 52nd Legislature adjourned at noon on Saturday, March 21 amid accusations of stonewalling and gridlock. Both the House and Senate passed several of their own bills, but failed to pass the other chambers' legislation.

Two League priority bills made it through the fray. Senate Corporations and Transportation Substitute for Senate Bill 669, originally introduced by Senate Minority Leader Stuart Ingle and House Bill 581, introduced by Representative George Dodge, both passed with unanimous votes in both Houses. The bills address the issue of gross receipts tax paybacks from municipalities to the Taxation and Revenue Department. Both bills do the following:

- Defines the payback period as 47 months and the recoverable amount is 50% of a 3-year average annual distribution of the gross receipts tax;
- Allows the municipality to receive information concerning the claim refund that involves a recoverable amount;
- Provides a notice by the Taxation and Revenue Department to the municipality and establishes a 90-day response period. If no response is made by the municipality, the recoverable amount will be paid back in 6 months by the municipality; and
- If a municipality responds to the Taxation and Revenue Department notice within the 90 days, the Department and municipality will negotiate a payback period. The Department will also provide a range of gross receipts tax information to the municipality for their information.

The League is very appreciative of the time and effort put into these bills by Minority Leader Ingle and Representative Dodge.

Another bill the League was monitoring passed both Houses and is on the way to the Governor. Senate Bill 114, Local Government Special Fuels Taxes introduced by Senator Ron Griggs, authorizes municipalities and counties, by ordinance, to impose a tax on special fuels of up to \$0.02 per gallon. The tax is subject to referendum in both a municipality and county and the tax may be imposed in increments of \$0.01. The League thanks Senator Griggs for his efforts with this bill.

House Bill 487, City Court Fee Transfer to City General Fund, introduced by Representative Jane Powdrell-Culbert, passed the House on a 68-0 vote and the Senate by a 35-1 vote. The bill authorizes municipalities with populations of less than 10,000 to transfer balances in the municipality's Correction Fee Fund to the municipality's General Fund if the balances are in excess of the municipality's projected needs for the next fiscal year. The League thanks Representative Powdrell-Culbert for her work on the bill.

Three bills that were not as fortunate to make it through both Houses had definite impacts on municipal operations. House Bill 288, Value of Land Leased or Sold by Cities, introduced by Representative Zack Cook, passed the House on a 64-0 vote, and was approved by both the Senate Public Affairs Committee and Senate Judiciary Committee but died on the Senate Floor. The bill would have increased the value from \$25,000 to \$250,000 of a municipal utility or real property that may be sold or leased without seeking the electorate's approval by

referendum. Personal property not exceeding the value of \$25,000, increased from \$2,500 in current law, would have been sold or leased by a municipality by public or private sale pursuant to the provisions of §3-54-2. House Bill 326, Lodgers' Tax Audits introduced by Representative Bobby Gonzales and its duplicate, Senate Bill 464 introduced by Senator Carlos Cisneros with the same title, died on the House floor. The bills would have authorized a municipality or county to select any vendor for audit to verify the amount of gross taxable rent subject to the Occupancy Tax. Action to enforce the provisions of a municipal or county occupancy tax would have allowed a municipality or county to bring action through its duly authorized representative and would have created penalties as petty misdemeanors subject to a fine, imprisonment or both. Membership on the Lodgers' Tax Advisory board was to be a minimum of five members. The League thanks all three sponsors for their time and efforts with the bills.

There were several bills introduced that addressed the hold harmless issue. Three in particular were ones the League followed closely. Senate Bill 274, Hold Harmless and Food Deduction Changes introduced by Senator John Arthur Smith, Senate Bill 101, Gross Receipts and Hold Harmless Tax Changes introduced by Senator Steven Neville and House Bill 421, Local Government Gross Receipts and Hold Harmless introduced by Representative Jason Harper, all proposed different "fixes" for the hold harmless issue, but none made it through the committee process.

And probably the most discussed fact of the First Session of the 52nd Legislature was its failure to pass a Capital Outlay bill. Senate Finance Committee Substitute for Senate Bill 159, originally introduced by Senator Carlos Cisneros, passed the Senate on a 40-0 vote. The bill was amended in House Ways and Means Committee. A House Floor Amendment was introduced by House Minority Leader Brian Egolf to restore the Senate version and that failed. At the very end of the session the Capital Outlay bill as amended passed the House, but time ran before the Senate could act. The last time the Legislature failed to pass a Capital Outlay bill was in 2011.

A good part of staff efforts were spent opposing preemptive legislation in the areas of oil and gas, agriculture, mining, transportation and telecommunications.

House Memorial 134 was introduced by Representative Bill Gomez and passed by the entire House on a 70-0 vote. The memorial recognizes Bill Fulginiti for his accomplishments and his 38 years of service to the cities, towns and villages of New Mexico. When asked if he was retiring, Bill's answer was "no."

Some quick statistics: the House introduced 639 bills, 20 Joint Resolutions, six Resolutions, 21 Joint Memorials, 134 Memorials and one Concurrent Resolution. The Senate introduced 726 bills, 19 Joint Resolutions, one Resolution, 29 Joint Memorials, 139 Memorials and one Concurrent Resolution.

Publication of the Legislative Bulletin is a truly a collaborative effort. Lobbying efforts are headed by Bill Fulginiti and Regina Romero. Bill fiscal analysis was done by Ed Zendel and Randy Van Vleck. Bill analysis was done by Pamela Ray and Roger Makin. Production and distribution was coordinated by Anita Tafoya, Jackie Portillo and Sharon Griego.

NOTE: The League will begin its 2015 District Meetings where League staff will present a legislative summary of what did, and didn't, happen during the session. Look at www.nmml.org for a list of municipalities, times and addresses for meetings that begin March 30 in Las Cruces.

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 19**).

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 very 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 21**). The Governor has 20 days following the close of the session (**Noon, April 10**) 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	HWMC	Ways & Means
HAFC	Appropriations and Finance		
HAWC	Agriculture, Water & Wildlife	SENATE COMMITTEES	
HBEC	Business & Employment	SCC	Committee's Committee
HCW	Committee of the Whole	SCONC	Conservation
HEC	Education	SCORC	Corporations and Transportation
HEENC	Energy, Environment & Natural Resources	SCW	Committee of the Whole
HEEC	Enrolling and Engrossing	SEC	Education
HGEIC	Government, Elections & Indian Affairs	SFC	Finance
HHC	Health	SIAC	Indian and Cultural Affairs
HJC	Judiciary	SJC	Judiciary
HRPAC	Regulatory & Public Affairs	SPAC	Public Affairs
HPSC	Printing and Supplies	SRC	Rules
HRC	Rules and Order of Business		
HTPWC	Transportation and Public Works		
HSCAC	Safety & Civil Affairs		