Hold Harmless Revisited

The Second Session of the 51st Legislature convened at noon, Tuesday, January 21 in Santa Fe. A joint session of the legislature and other elected officials heard Governor Susana Martinez explain her upcoming legislative agenda that includes jobs and education as her main issues. The Governor also reiterated her opposition to the law allowing illegal immigrants to obtain a New Mexico driver’s license. During this year’s 30-day session, most bill introductions will center on finances and taxation, and what the Governor puts on her “call.”

The League’s top legislative priority for this year will be addressing the phase out of the “hold harmless” distribution that was passed and signed in 2013. The distribution, which currently is designed to be eliminated over a 15 year period, is one of the main sources of revenue for many of New Mexico’s cities and was created to be a revenue source that would replace the local tax on food and certain medical services that was removed in 2004.

House Bill 132, Local Government Hold Harmless Gross Receipts Tax, introduced by Representative Jason Harper, does several things. The bill reduces the amount of hold harmless distributions to municipalities and counties by the amount of a municipal or county hold harmless gross receipts tax; a municipality that is not in conformity with the provisions of this bill will be required to re-do an ordinance. A distribution for a municipality that has a population of 10,000 or more, has in effect a municipal hold harmless gross receipts tax at a rate of 3/8ths percent and whose maximum distribution exceeds the sum of the municipality’s tax revenue shall be increased by the difference between the maximum distribution and the sum. The bill enacts the Hold Harmless Gross Receipts Tax; an ordinance imposing a municipal hold harmless receipts tax shall not be enacted more than 9 months prior to the date an increment may be imposed; the rate of the tax may be imposed in 1/8th percent per year beginning on or after July 1, 2015, the second 1/8th percent on or after July 1, 2018 and the third 1/8th percent on or after July 1, 2020 and changes the county authority to impose a tax rate from 3/8th percent to 1/8th percent to be done in 1/16th increments. Enactment dates for the county hold harmless 1/8th percent is July1, 2015 and July 1, 2022. Imposition of a municipal or county hold harmless gross receipts tax is not subject to referendum.

House Bill 114, Reduction in Hold Harmless Gross Receipts, introduced by Representative Patricia Lundstrom, would allow a municipality with a population of 10,000 or more to be treated as a “hold harmless municipality,” meaning they would retain their hold harmless distribution, if they meet the following criteria: 1) they do not enact any of the hold harmless GRT; 2) if the 3/8th hold harmless GRT would not be enough to replace the hold harmless distribution; 3) and the municipality’s total GRT exceeds 8.25 percent.

Senate Bill 87, Local Government Hold Harmless Gross Receipts, introduced by Senator Steven Neville, authorizes a distribution to municipalities and counties equal to .049 percent times the net receipts for the month attributable to the gross receipts tax from businesses in the municipality or county multiplied by all local option gross receipt tax increments in effect as of January 1, 2007. If this distribution is less than 100 percent of deductions from the sale of food and certain medical service for the month, the municipality or county may impose a 1/8th percent gross receipts tax in increments of 1/16th percent. The League will be monitoring these and other bills dealing with the hold harmless debate.
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.

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.

The Bulletin will be sent by first class mail from Santa Fe each Friday afternoon so that it should arrive at its destination by the following Monday morning.

If you would like to receive the Bulletin electronically, we will send you a link by email each Friday. You can contact Roger Makin via e-mail (rmakin@nmml.org) or by fax (505-984-1392). Please be sure to include your name, title, municipality or agency, mailing address, and e-mail address. The Bulletin will also be posted each Friday on the League’s website at www.nmml.org. Daily analysis of newly-introduced bills will also be posted on the website under Legislative News. We urge you to take advantage of this service in order to reduce mailing costs and time delays.

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 legis.state.nm.us (click on Bill Finder on the left, then 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. We checked the site today and think you will find it an easy way to find your special projects. As always, you can contact your legislators directly to find out when your project will be scheduled for hearing.
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 15th day of a 30-day session (February 5). 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 he wishes (line item veto); if it does not, he 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, February 20). The Governor has 20 days following the close of the session (Noon, March 12) 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 |
| HCR | House Concurrent Resolution |
| HR | House Joint Resolution |
| HJM | House Joint Memorial |
| HM | House Memorial |
| SB | Senate Bill |
| SCR | Senate Concurrent Resolution |
| SJR | Senate Joint resolution |
| SJM | Senate Joint Memorial |
| SM | Senate Memorial |

* Contains Emergency Clause (effective immediately on Governor's signing)

CA - Constitutional Amendment (requires approval by statewide electorate)

HOUSE COMMITTEES

| HAFC | Appropriations and Finance |
| HAGC | Agriculture and Water Resources |
| HBIC | Business and Industry |
| HCPAC | Consumer and Public Affairs |
| HCW | Committee of the Whole |
| HEC | Education |
| HENRC | Energy and Natural Resources |
| HEEC | Enrolling and Engrossing |
| HHGAC | Health, Government & Indian Affairs |
| HJC | Judiciary |
| HLC | Labor and Human Resources |
| HPSC | Printing and Supplies |
| HRC | Rules and Order of Business |
| HTPWC | Transportation and Public Works |
| HTRC | Taxation and Revenue |

SENATE COMMITTEES

| SCC | Committee's Committee |
| SCONC | Conservation |
| SCORC | Corporations and Transportation |
| SCW | Committee of the Whole |
| SEC | Education |
| SFC | Finance |
| SIAC | Indian and Cultural Affairs |
| SJC | Judiciary |
| SPAC | Public Affairs |
| SRC | Rules |

HVEC | Voters and Elections |
HB 14  GRT: AIRCRAFT PARTS AND MAINTENANCE DEDUCTION (White). Amends §7-9-62 to allow for a deduction from gross receipts taxes for receipts from selling aircraft parts or maintenance services for aircraft. Effective 7/1/14. HTRC/HAFC

HB 15  NO SALE OF E-CIGARETTES TO MINORS (Bandy). Amends §30-49-2 to define an e-cigarette as any electronic oral device, whether composed of a heating element and battery or an electronic circuit, that provides a vapor of nicotine or any other substance the use or inhalation of which simulates smoking and includes any such device, or any part thereof, whether manufactured, distributed, marketed or sold as an e-cigarette, e-cigar, e-pipe or any other product, name or descriptor; amends §30-49-3 to prohibit the sale of an e-cigarette to a minor under the age of 18; prohibits the sale of e-cigarettes in vending machines; requires vendors to prominently display a sign that state persons under 18 who purchase e-cigarettes and those who sell e-cigarettes to a person under 18 are subject to a fine of up to $1,000; if a municipality or county adopts an ordinance or regulation pertaining to the sale of tobacco products or e-cigarettes, the ordinance shall be consistent with the Tobacco and E-Cigarette Act. Punishment for violations of selling e-cigarettes to minors is a misdemeanor, and violation of minor in possession is subject to a fine of up to $100 or 48 hours of community service. HRC

HB 16  LIQUOR TAX DISTRIBUTION TO DWI GRANT FUND (Trujillo, C.) Amends §7-1-6.40 to increase the distribution from the Liquor Excise Tax to the DWI Grant Fund over a three-year period to a maximum of 66.58 percent in 2018. Effective 7/1/15. HTRC/HAFC

HB 24  GRT: COMMERCIAL OR MILITARY CARRIER (Wooley). Amends §7-9-62.1 to provide for a gross receipts tax deduction for receipts from the sale or from maintenance or refurbishing a commercial or military carrier over 10,000 pounds gross landing weight. Effective 7/1/14. HTRC/HAFC

HB 27  RETIREE HEALTH CARE FUND DISTRIBUTIONS (Trujillo, J.) Amends §10-7C-15 to increase the amount of employers’ contribution to the Retiree Health Care Fund for both regular and enhanced plan employees beginning in 2014 and ending in 2019; maximum contribution for regular participants in 2019 would be 3.5 percent and for enhanced participants would be 4.375 percent; increases the employees’ contribution over the same time period to a maximum for regular participants to 1.75 percent and for enhanced participants to 2.188 percent. Effective 7/1/14. HRC

HB 29  TRANSFER REGIONAL HOUSING AUTHORITY OVERSIGHT (Gonzales, B.) Transfers oversight for Regional Housing Authorities from the New Mexico Mortgage Finance Authority to the Department of Finance and Administration. Effective 7/1/14. HRC

HB 32  GRT: DIALYSIS FACILITY DEDUCTION (Gonzales, B.) Amends §7-9-77.1; receipts from payment by the U.S. government or other agency for services provided by a dialysis facility may be deducted from gross receipts in the following manner: from July 1, 2014 through June 30, 2015 – 33 1/3 percent; from July 1, 2015 through June 30, 2016 – 66 2/3 percent; and after June 30, 2016 – 100 percent; requires annual reporting to the Revenue Stabilization and Tax Policy Committee and Legislative Finance Committee. Effective 7/1/14. HHGIC

HB 41  GRT: FEDERAL EEOIC DEDUCTION (Taylor, T.). Amends §7-9-771. To provide a gross receipts tax deduction for receipts from a compensation program established by the federal Energy Employees Occupational Illness Compensation Act of 2000; requires annual reporting and an evaluation by the Taxation and Revenue Department of the effectiveness of the deduction. Effective 7/1/14. HPREF

HB 45  GRT: U.S. DEPT. OF ENERGY DEDUCTION (Larrañaga). New material authorizes a gross receipts tax deduction from receipts from the sale of directed energy and satellite-related inputs when pursuant to
a contract with the United States Department of Defense based on the taxpayers increasing their employee base in the directed energy and satellite business in New Mexico or beginning such enterprises and hiring employees; requires annual reporting to the economic Development Department, Revenue Stabilization and Tax Policy Committee and Legislative Finance Committee.

HB 46 PROCUREMENT: PROFESSIONAL SERVICES (Larrañaga). Amends §13-1-98 that exempts certain purchases from the Procurement Code to include municipalities having adopted a home rule charter and having enacted their own purchasing ordinances, except for competitive sealed qualifications-based proposals pursuant to §§13-1-120 through 13-1-124; amends §13-1-119 that removes a local public body from the requirement of using services of architects, landscape architects engineers or surveyors for public works projects or local public works projects.

HB 51 RIGHT TO FARM NUISANCE CHANGES (Herrell). Amends §47-9-3; any ordinance or resolution of any unit of a local government that makes the operation of any agricultural operation or agricultural facility a nuisance or provides for abatement of it as a nuisance under the circumstances set forth in the section shall not apply when an agricultural operation is located within the corporate limits of any municipality as of April 8, 1981.

*HB 55 2014 WORK NM ACT – SEVERANCE TAX BOND PROJECTS (Trujillo, J.) Authorizes Severance Tax Bonds for a variety of projects statewide, including the following: Cumbres & Toltec Scenic Railroad: $250,000 – passenger car improvements; $600,000 – track and locomotive upgrades; Local Economic Development projects - $2 million; MainStreet projects - $1 million; Department of Information Technology: $500,000 – plan, design, acquire and purchase infrastructure for public safety communications statewide affecting all emergency responders; and $4.5 million from the Enhanced 911 Fund to the Department of Information Technology for the same purposes. EMERGENCY CLAUSE.

HB 56 GRT: DURABLE MEDICAL EQUIPMENT (Trujillo, J.) New material authorizes a gross receipts tax deduction of receipts from the sale or rental of durable medical equipment made prior to July 1, 2021. Effective 7/1/14.

HB 71 TRADITIONAL HISTORIC COMMUNITY QUALIFICATIONS (Gonzales, R.) Amends §3-7-1.1 revising the definition of an unincorporated traditional historic community to include a class A county with a population between 140,000 and 200,000 or a class B county with a population between 30,000 and 45,000. Effective 7/1/14.

HB 74 GAS TAX INCREASE FOR A MAJOR ROAD PROJECT (Gonzales, R.) Amends §7-1-6.7 to provide for a temporary increase in the gasoline tax and the special fuel excise tax to fund the completion of major investment highway projects; amends §7-1-6.9 to lower the distribution to municipalities and counties from 10.38% to 8.02% from July 1, 2014 to June 2024; amends §7-1-6.27 to lower the distribution for municipal roads from 5.76% to 4.45% from July 1, 2014 to June 2024. Amends §7-1-6.39 to lower the distribution of special fuel excise tax to the local government road fund from 9.52% to 7.69% from July 1, 2014 to June 2024. Creates the Major Investment Highway Project Fund. Effective 7/1/14.

HB 98 GRT EXEMPTION: SCHOOL BUS FUEL(Gonzales, R.) Enacts a new section providing for an exemption from the gross receipts tax for the sale of fuel for school buses. Effective 7/1/15.

HB 110 BARELAS VETERANS MEMORIAL - GF (Garcia, M.P.). Appropriates $250,000 from the General Fund to the local government division to allow the City of Albuquerque to contract for the planning, design and construction of a memorial on the grounds of the Barelas Community Center commemorating Vietnam War heroes Pete Padilla and Manuel Mora and all military veterans from the Barelas community.

HB 113 WORKERS’ COMP PAYMENT FOR INTENT OR DRUG USE (Roch). Amends §§52-1-11 & 12.1 to prohibit the payment of workers’ comp benefits in the event the worker’s injury or death was willfully
caused by the worker or intentionally inflicted by the worker, or if the injury was the result of intoxication or from drug use. Repeals §52-1-12. Effective 7/1/14. HPREF

HB 114 REDUCTION IN HOLD HARMLESS GROSS RECEIPTS (Lundstrom). The bill would allow a municipality with a population of 10,000 or more to be treated as a “hold harmless municipality,” meaning they would retain their hold harmless distribution, if they meet the following criteria: 1) they do not enact any of the hold harmless GRT; 2) if the 3/8ths hold harmless GRT would not be enough to replace the hold harmless distribution; 3) and the municipality’s total GRT exceeds 8.25 percent. Effective 7/1/14. HPREF

HB 116 RAILROAD SERVICE FUND (Gonzales, R.). New material creates the Southwest Chief Railroad Service Fund to be used for acquisition of right-of-way or planning, design, engineering, construction or improvement of the railroad track and infrastructure within New Mexico used by the Amtrak Southwest Chief; no funds may be expended from the fund until the states of Colorado and Kansas establish similar funds for the corresponding Southwest Chief track within their borders and the Department of Transportation has entered into a binding agreement with Amtrak and the states of Colorado and Kansas to maintain the service through fiscal year 2055; appropriates $4 million from the General Fund to the new fund. HPREF

*HB 117 RAILROAD SERVICE ANALYSIS – GF (Gonzales, R.). Appropriates $150,000 from the General Fund to be spent as follows: 1) $130,000 to the Bureau of Business and Economic Research at UNM to research and develop a cost and benefit economic analysis of the state’s investment required to keep the Southwest Chief train service; and 2) $20,000 to the Legislative Council Service for an independent legal analysis of the statutory requirements needed to implement the investment to keep the train service. EMERGENCY CLAUSE.

HB 118 GRT: HEALTHCARE PRACTITIONER (Gonzales, R. and Cisneros). Amends §7-9-93; receipts from payments by an individual enrolled in a plan with a managed care provider or health care insurer to a health care practitioner for commercial contract services may be deducted from gross receipts; provided that the services are within the scope of practice of the person providing the service. Effective 7/1/14. HRPEF

*HB 132 LOCAL GOVERNMENT HOLD HARMLESS GROSS RECEIPTS TAX (Harper). The bill reduces the amount of hold harmless distributions to municipalities and counties by the amount of a municipal or county hold harmless gross receipts tax; a municipality that is not in conformity with the provisions of this bill will be required to re-do an ordinance; restricts the imposition of a municipal or county hold harmless gross receipts tax to certain years. A distribution for a municipality that: has a population of 10,000 or more, has in effect a municipal hold harmless gross receipts tax at a rate of 3/8ths percent and whose maximum distribution exceeds the sum of the municipality’s tax revenue shall be increased by the difference between the maximum distribution and the sum. Enacts the Hold Harmless Gross Receipts Tax; an ordinance imposing a municipal hold harmless receipts tax shall not be enacted more than 9 months prior to the date an increment may be imposed; the rate of the tax may be imposed in 1/8ths percent per year beginning on or after July 1, 2015, the second 1/8th percent on or after July 1, 2018 and the third 1/8 percent on or after July 1, 2020. Changes the county authority to impose a tax rate from 3/8ths percent to 1/8ths percent to be done in 1/16ths increments. EMERGENCY CLAUSE. HRPEF

HJR 1 CA: LOCAL GOVERNMENT FUNDS FOR PRIVATE USE (Cote). Proposes to amend Article 9, Section 14 of the New Mexico Constitution to authorize a county or municipality to expend public money or use public resources in furtherance of a project that may benefit a private individual, an association or a public or private corporation to protect the public’s health, safety or welfare, provided that funding for such a project shall be provided only with money that is authorized and presently available for immediate expenditure; projects funded must be approved by a unanimous vote of all members of the governing body and the project must further a public purpose that is designed to enhance the quality of life of the residents of the county or municipality. HPREF
SB 4  SMALL POLITICAL SUBDIVISION AUDITS – GF (Cisneros). Appropriates $500,000 from the General Fund to the State Auditor to perform audits for small political subdivisions with annual budgets of $100,000 or less. SCC/SPAC/SFC

SB 10  NEW REVENUE INCOME TAX CREDITS (Papen). In addition to creating a new personal and corporate revenue tax credits, the bill amends §5-15-5 to remove the municipal regional transit gross receipts tax from those local gross receipts taxes that may be pledged to a Tax Increment Financing District in a municipality; for local bonds, the State Board of Finance shall not agree to dedicate more than 75 percent for a district formed prior to July 1, 2014 and no more than 30 percent for a district formed on or after July 1, 2014; new material states that a law that authorizes the dedication of a gross receipts tax increment or that affects the dedication of a gross receipts tax increment, or a law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding gross receipts tax increment bonds that may be secured by a pledge of such gross receipts tax increment unless the outstanding bonds have been discharged in full or provision has been fully made therefore. Prohibits the Motor Vehicle Excise Tax to be imposed on a manufactured home, an all-terrain vehicle subject to registration under the Off-Highway Motor Vehicle Act or on a recreational vehicle subject to registration under the Motor Vehicle Code unless the vehicle is used primarily for work-related activities. The new revenue tax credits are applicable to tax years beginning January 1, 2015; remainder of act effective July 1, 2014. SCC/SCORC/SFC

SB 11  REGIONAL HOUSING AUTHORITY OVERSIGHT – GF (Papen). Appropriates $250,000 from the General Fund to the Department of Finance and Administration for funding oversight of the Regional Housing Authorities by the New Mexico Mortgage Finance Authority. SCC/SPAC/SFC

SB 19  PROHIBIT TEXTING WHILE DRIVING (Wirth). New material prohibits a person from reading or viewing a text message or type on a hand-held mobile communication device for any purpose while driving a motor vehicle, except to summon medical or emergency help; defines driving, hand-held mobile communication device and text message; amends §66-8-116 to create a penalty assessment violation for a first and second offense of texting while driving. Effective 7/1/14. SPREF

SB 20  CAPITAL OUTLAY CHANGES AND COMMITTEE (Campos). New material creates the Capital Outlay Review Committee as a joint interim legislative committee composed of members of the House of Representatives and the Senate; the Committee shall oversee the process of capital outlay planning and adopt standards for evaluating capital outlay requests and prioritize project requests; creates the Capital Outlay Planning and Monitoring Act; creates an Interagency and Intergovernmental Planning and Coordination Committee composed of representatives of various state agencies for overseeing capital projects. Requires the Local Government Division by January 15 of each year to publish capital project guidelines for all executive agencies and local governments seeking capital project funding; requires annual reports and audits; the Department of Finance and Administration is to oversee the Capital Outlay Planning and Monitoring Division; repeals §6-4-1. Effective 7/1/14. SPREF

SB 24  NMFA MEMBERSHIP AND AUDITS (Keller). Amends §6-21-4 to make several changes in the make-up of the New Mexico Finance Authority; the Authority shall chose a chair from the membership; requires minutes of all meetings and those minutes shall be approved in an open meeting; requires at least quarterly meetings; six members shall constitute a quorum; requires members and ex-officio members to have a minimum of 10 years’ experience in a field of institutional investment, accounting, law, public finance, banking or public project planning; a member may be deemed to have resigned for missing three meetings in a 12-month period; members of the Authority are subject to the Governmental Conduct Act. Requires the Authority to release its annual audit and to approve the audit in an open meeting. Effective 7/1/14. SPREF

SB 29  GRT: DEDUCTION ITEMIZATION (Keller). Amends §7-9-5 to require certain gross receipts tax deductions to be stated separately according to rules promulgated by the Department of Taxation and
Revenue; exempts receipts for a variety of gross receipts until July 1, 2025. Reporting requirements effective 7/1/15; exemptions effective 7/1/14. SPREF

SB 32 TRANSFER REGIONAL HOUSING AUTHORITY OVERSIGHT (Papen). Transfers oversight of regional housing authorities from the New Mexico Mortgage Finance Authority to the Department of Finance and Administration. Effective 7/1/14. SPREF

SB 39 NEW MEXICO DISADVANTAGE COMMUNITY ASSISTANCE (Candelaria). New material creates the New Mexico Disadvantaged Community Assistance Board of which the Executive Director of the New Mexico Municipal League is one of five advisory members; the Board shall promulgate rules for the evaluation and prioritization of applications for financial assistance for qualified projects; a disadvantaged community is an unincorporated rural community or association organized under the Sanitary Projects Act that has: 1) no potable water supply, adequate sewage or safe and sanitary housing; 2) is ineligible for funding under the colonias infrastructure project fund; 3) is ineligible for funding under the tribal infrastructure project fund; 4) and has submitted documentation to the Board to substantiate the required conditions. New material creates the New Mexico Disadvantaged Community Assistance Project Fund and makes an appropriation. SPREF

SB 41 COMMERCIAL DRIVER'S LICENSE RETESTING (Neville). Amends §66-5-60 to provide a commercial driver’s license applicant who does not pass the skills test or knowledge test may repeat the knowledge test no more than twice a week and the skills test no more than three times a year; a commercial driver’s license applicant who has failed the skills test or knowledge test five times shall complete a state-recognized commercial driving training program. SPREF

SB 42 WATER TRUST FUND – GF (Campos). Appropriates $18 million from the General Fund to the Water Trust Fund to carry out the purposes of the Water Trust Fund. SPREF

SB 43 UPDATE STATE & REGIONAL WATER PLANS – GF (Campos). Appropriates $700,000 from the General Fund to the Interstate Stream Commission to update the state and regional water plans. SPREF

*SB 53 GENERAL OBLIGATION BOND PROJECTS (Cisneros). Authorizes the sale of General Obligation Bonds for a variety of projects, including the following: Wagon Mound: $290,000 – senior center; Tularosa: $375,000 – senior center; senior centers statewide: $370,500 – purchase and install equipment; $949,410 - purchase and install meals equipment; $2,004,320 – plan, design and renovate and equip; $5,660,000 – purchase and equip vehicles; and $2,104,560 – make improvements for building code compliance, purchase and installation of equipment. Also included are the following library funding projects: $3 million for equipment and supplemental library resource acquisitions, including print, non-print and electronic resources at non-tribal public libraries statewide; $3,500,000 for library resource acquisitions, including books, equipment, resources and collaborative library resources and information technology projects at academic libraries statewide; $3,500,000 for library resources acquisitions at public school libraries statewide; and $800,000 for library resources including electronic resources at tribal public libraries statewide. EMERGENCY CLAUSE. SPREF

SB 59 GRT: TECH COMMERCIALIZATION (Keller). New material allows taxpayer to deduct an amount equal to 50 percent of a distribution made to: 1) a New Mexico four-year public post-secondary institution or a designated nonprofit entity of a New Mexico public educational institution specifically for transfer and commercialization or collaborative scientific research; 2) an eligible endowment fund or an organization that promotes technology commercialization in a New Mexico public university or college or a federal scientific and engineering laboratory or test facility in New Mexico. Tax credits may not exceed $500,000 in a calendar year and the Department may allow a maximum of $2 million in credits. Effective 7/1/14. SPREF

SB 61 CITY ORDINANCE VIOLATION CIVIL REMEDIES (Candelaria). Amends §3-17-1; authorizes a municipality to enforce violations of certain ordinances by civil administrative remedies, to be imposed at an administrative hearing by an administrative hearing officers pursuant to the findings made at that
administrative hearing, including administrative penalties of not more than $500 per day per violation; the bill does not define “civil administrative remedies” or determine how hearing officers are to be chosen. Effective 7/1/14. SPREF

SB 65 WATER TRUST BOARD MEMBERS AS CHAIR (Candelaria). Amends §72-4A-4 to require the chair of the Water Trust Board be a public member of the Board. SPREF

SB 71 MUNICIPAL HOUSING COMMISSIONER APPOINTMENTS (Ortiz y Pino). Amends §3-45-5 to authorize a municipality to create a housing authority as a public body politic and corporate separate from the city; membership shall be by appointment by the mayor of three, five or seven members as follows: at least three commissioners if the municipality, town or county does not contain a metropolitan statistical area as defined by the U.S. Census: or at least five but no more than seven commissioners if the municipality is a city or a county that contains a metropolitan statistical area as defined by the Census; commissioners are to serve staggered terms. Obligations issued by a city that are true loan obligations made to the Farm Service Agency of the U.S. Department of Agriculture or the Department of Housing and Urban Development may bear interest not exceeding par. Effective 7/1/14. SPREF

SB 82 GRT: COUNTY EDUCATION (Martinez, R.). Authorizes Rio Arriba County to impose a 3/4 percent special county education gross receipts tax county-wide for capital improvements for public schools, locally chartered charter schools and state-chartered chartered schools; requires an election; proceeds from the tax are to be administered by the governing body of the county and disbursed to respective participating school districts. Effective 7/1/14. SPREF

SB 87 LOCAL GOVERNMENT HOLD HARMLESS GROSS RECEIPTS (Neville). New material authorizes a distribution to municipalities and counties equal to .049 percent times the net receipts for the month attributable to the gross receipts tax from businesses in the municipality or county multiplied by all local option gross receipt tax increments in effect as of January 1, 2007; if this distribution is less than 100 percent of deductions from the sale of food and certain medical service for the month, the municipality or county may impose a 1/8th percent gross receipts tax in increments of 1/16th percent. Repeals §7-1-6.46 and §7-1-6.47. Effective 7/1/14. SPREF

SB 88 GRT: INFUSION THERAPY AND MEDICAL SUPPLIES (Papen). New material creates a deduction from gross receipts for the sale of infusion therapy services or the sale or rental of durable medical equipment. Effective 7/1/14. SPREF

*SB 94 ADD FIREWORKS THAT MAY BE BANNED (Griego). Amends §60-2C-8.1 to make findings by a governing body of drought conditions, including exceptional drought, be based on findings of the United States Drought Monitor supplied by the Southwest Coordination Center; authorizes a governing body to ban aerial devices in case of drought; upon request of a governing body of a municipality or county, the Forestry Division of the Energy, Minerals and Natural Resources Department is authorized to adopt and enforce emergency rules within the municipality or county that completely ban or partially ban or restrict the sale or use of all fireworks within the municipality or county requesting the emergency rules if extreme fire danger exists within the municipality or county, or in a portion of either; in adopting emergency rules, the Division shall: 1) use the Southwest Coordination Center as the source for national fire danger rating; 2) provide the rules shall be in effect no longer than 30 days and be automatically repealed at the end of the time period; 3) obtain the Governor’s written approval of the final rules becoming effective, and if the Governor disapproves of the rules, the Division shall not adopt the rules; 4) modify or rescind the emergency rulemaking within 24 hours if conditions warranting the rule no longer exists; and 5) request any adjacent Indian nations, tribes or pueblos consider imposing the same or similar emergency rules for areas within their jurisdictions. The division may reissue and enforce emergency rules after the 30-day period if asked by either governing body. EMERGENCY CLAUSE. SPREF

SB 98 EMERGENCY MEDICAL SERVICE PROVIDER CHECKS (Rue). New material authorizes the Department of Health to conduct criminal history background checks on applicants or licensees subject to the Emergency Medical Services Act; requires fingerprinting; requires the Secretary of the Department of Health to promulgate rules relating to criminal background checks for applicants and licensees; provides
for an appeal if license is denied suspended or revoked; information obtained by the checks is confidential. Effective 7/1/14. SPREF

**SB 112 WATER PROJECT FUND PROJECTS (Cervantes, Lundstrom).** Authorizes the New Mexico Finance Authority to make loans or grants from the Water Project Fund to a variety of projects statewide, including the following municipal projects: Anthony – flood prevention; Grants – flood prevention; Santa Rosa – flood prevention; Socorro – flood prevention; Hatch – flood prevention; Milan – flood prevention; Los Alamos – water conservation, treatment, recycling and reuse; Bloomfield – water conservation, treatment, recycling and reuse; water storage, conveyance and delivery; Clovis – water conservation, treatment, recycling and reuse; Deming – water conservation, treatment, recycling and reuse; water storage, conveyance and delivery; Hobbs – water conservation, treatment, recycling and reuse; Las Vegas – water conservation, treatment, recycling and reuse; water storage, conveyance and delivery; Rio Rancho – water conservation, treatment, recycling and reuse; Edgewood – water conservation, treatment, recycling and reuse; Silver City – water conservation, treatment, recycling and reuse; Chama – water conservation, treatment, recycling and reuse; Belen – water storage, conveyance and delivery; Carlsbad – water storage, conveyance and delivery; Gallup – water storage, conveyance and delivery; Carrizozo – water storage, conveyance and delivery; Estancia – water storage, conveyance and delivery; Red River – water storage, conveyance and delivery; Springer – water storage, conveyance and delivery; Taos – water storage, conveyance and delivery; Angel Fire – water storage, conveyance and delivery; Capitan – water storage, conveyance and delivery; Corona – water storage, conveyance and delivery; Eagle Nest – water storage, conveyance and delivery; Los Lunas – water storage, conveyance and delivery; Magdalena – water storage, conveyance and delivery; Melrose – water storage, conveyance and delivery; Pecos – water storage, conveyance and delivery; Ruidoso – water storage, conveyance and delivery; Tijeras – water storage, conveyance and delivery; and Tularosa – water storage, conveyance and delivery. EMERGENCY CLAUSE. SPREF

**SJR 1 CA: CREATE INSPECTORS GENERAL OFFICES (Candelaria).** Proposes to amend Article Five of the New Mexico Constitution to have the legislature establish, by law, offices of Inspectors General to be appointed and managed by the State Auditor, in designated state agencies; the Inspectors General shall be answerable to the State Auditor and shall provide annual reports as required by law to the State Auditor and to the legislature. SPREF

**SJR 3 CA: REQUIRE MESSAGES ON ALL VETOES (Candelaria).** Proposes to amend Article 4, Section 22 of the New Mexico Constitution to require the Governor to either sign or veto each piece of legislation and also requires a veto message for each veto, thereby eliminating a pocket veto by the Governor. SPREF

**SJR 5 CA: STATE TAX EXPENDITURE REPORTING (Keller).** Proposes to amend Article 8 of the New Mexico Constitution to add a new section that requires that no later than October 15 of odd-numbered years, the Consensus Revenue Estimating Group, in cooperation with state and local government agencies, shall compile and present a tax expenditure report to the Governor and appropriate legislative committees that consider tax or budget issue; the report is to identify tax expenditure’s statutory basis, the purpose of the expenditures, the aggregate cost in foregone expenditures, the cost expended by the state to administer tax expenditures and identification of deviations from the state’s overall tax structure; the Consensus Revenue Estimating Group is the professional economists of the Department of Finance and Administration, the Department of Taxation and Revenue, the Department of Transportation and the Legislative Finance Committee. SRC/SJC/SFC

**SJR 7 CA: HEALTH CARE COST & TRANSPARENCY COMMISSION (Keller).** Proposes to add a new section to Article 5 of the New Mexico Constitution that would read: the Health Care Cost and Transparency Commission is created to serve as the sole entity responsible for promulgating and enforcing standards and regulations to ensure transparency of health care costs and other financial and quality data for use by consumers, taxpayers and policy makers. The Commission shall have the power to compel compliance with its standards and regulations and shall have such other necessary powers and duties as provided by law. The Commission shall consist of such number of members and shall have such
qualified as provided by law. Commission members shall be appointed by the executive and legislative branches and serve staggered terms as provided by law.  SPREF

SJR 10  **CA: MARIJUANA POSSESSION, USE & REGULATION (Ortiz y Pino).** Proposes to add a new section to Article 20 of the New Mexico Constitution to read: “Possession and personal use of marijuana shall be lawful by persons twenty-one years of age and older. The legislature shall provide by law for the production, processing, transportation, taxation, sale and acceptable quantities and places of use of marijuana to protect the public health and safety.”  SPREF

SJM 4 **STUDY STATE BUILDING BROADBAND INFRASTRUCTURE (Candelaria).** Requests a task force study the appropriate role of the state in building broadband infrastructure to provide broadband access to all New Mexicans; members of the task force should include representatives from the Legislative Finance Committee, a member of the Science, Technology and Telecommunications Committee, the New Mexico Finance Authority, and experts in broadband technology infrastructure representing the University of New Mexico, New Mexico State University and the New Mexico Institute of Mining and Technology; the New Mexico Legislative Council is to appoint legislative members of the task force.  SPREF

SM 1 **ZIA SUN SYMBOL ORIGIN & USE (Padilla).** Requests the Cultural Affairs Department to make a report to the Senate Indian and Cultural Affairs Committee and the Senate Public Affairs Committee regarding who has a right to use the Zia sun symbol and if there are any restrictions on how it may be used.  SRC/SIAC