



MRCOG End of Session Report

The 2022 session was a thirty day or “short” legislative session. During a 30-day session, the legislature can only consider legislation on the following topics:

- Appropriations
- Revenue Matters
- Messages from the Governor (“Legislature you can consider legislation related to removing the statute of limitations on 2nd degree murder)
- Bills that were previously vetoed.

30-day sessions are also referred to as budget sessions. This year, in November, all members of the House of Representatives and all statewide offices are on the ballot. The Governor and legislators are prohibited from fundraising during the session. Once the session ends and the Governor acts on legislation that was passed, the House Members and Governor fall right back into campaign season.

The session began on January 18th at noon and adjourned on February 17th. Following the end of the session, the Governor has 20 days to act on legislation that passed. She can sign, veto, use a line-item veto on appropriations bills or if she fails to act on a bill by the 20th day, it is deemed to be pocket vetoed. The deadline to sign legislation was March 9th. 64 pieces of legislation were passed and sent to the Governor for action. The Governor failed to sign or veto 5 pieces of legislation. Pursuant to the Constitution, they were then deemed to be “pocket vetoed”.

The Governor vetoed 2 pieces of legislation including SB 48 commonly referred to as the “Junior bill”. SB48 allocated a total of \$50.4 million to legislators, allowing them to fund both capital projects and operational programs. \$25.2 million was used for capital costs and \$25.2 was eligible for operations. Each House Member was allocated \$360,000 and each Senate member \$600,000 to spend in SB48. In her veto message, the Governor stated “SB48 circumvents the important budget and capital outlay process that forms the basis for other large appropriations bills.” There have been discussions among legislators about a veto override. To override the Governor’s veto, the legislature must vote to override with a 2/3 majority in each house. Since they are not in session, the legislature can call itself into an “extraordinary” session. An extraordinary session requires a vote of 3/5ths of each house to convene. An extraordinary session has only been called once in the history of the State of New Mexico.

The Governor has announced she will call a special session on April 5th to consider a “revised” Junior Appropriations bill and to discuss either rebates or a temporary freezing of the gas tax to give New Mexicans relief from high gas prices. By calling a special session, the Governor has control of what appears on the call for the session. If the legislators reconvened under an extraordinary session, then any legislator would be permitted to introduce legislation on any subject. We will now in the coming days if the



Governor is able to come to agreement with the legislature on a spending bill and additional tax rebates.

503 bills and 139 Memorials, Joint Memorials, Resolutions and Joint Resolutions were introduced this session. The number of bills introduced was significantly lower than a normal 30-day session. The General Public and lobbyists were allowed in the Capitol. However, you were required to show proof of vaccination or qualify for an exemption from vaccination along with proof of a negative COVID test within 48 hours to enter the Capitol. For the first time, visitors were required to go through a metal detector when entering the Capitol.

The focus of the session was passage of a budget. The State of NM has record revenues for the coming fiscal year. The total General Fund budget passed by the legislature was \$8.48 billion, up 13.9% from the current fiscal year. The budget reserves exceed 30% and revenues for the current fiscal year and projections for next year continue to rise as the price of oil increases. The budget included funding for raises of 7% for state employees, 7% raises for public school teachers and approximately 16% for state police officers. It also included funding for law enforcement retention payments and accounted for over \$500 million in tax cuts.

Next to budget, the focus was on Crime. Several of the Governor's crime package bills failed to pass including the idea of creating a rebuttable presumption to keep people detained when charged with violent crimes. However, the legislature did pass HB68 which was an omnibus crime bill. It included the following provisions:

- Creation of a law enforcement and retention fund. Pay 5% of an officer's salary on 5 year intervals to stay in law enforcement
- Creation of a grant program for recruitment and retention stipends for departments, prioritizing increasing an agencies investigative capacity
- Changed the duties and makeup of the Law Enforcement Academy Board. Now there are two boards
 - NM Law Enforcement Standards and Training Council
 - Responsible for setting training standards for basic and continuing law enforcement training
 - Added new areas of required training
 - Law Enforcement Certification Board
 - Oversee law enforcement certification
 - Make determinations regarding certification when misconduct occurs
- Increased survivor benefits for officers killed in the line of duty from \$250,000 to \$1,000,000 (highest in the country)
- Increase funding in the Law Enforcement Protection Fund in FY24 for each department \$45,000 to \$95,000 and increases the per officer funding from \$1,000 to \$1,500. The funding can be used for equipment and training



- Create additional crimes
 - Threatening a judge or family member of a judge
 - Maliciously sharing personal information of a judge or a family member of a judge
 - Making a shooting threat
 - Operating a chop shop
 - Copper theft
- Changes to existing crimes and penalties
 - Eliminate the statute of limitations for 2nd degree murder
 - Unlawful possession of a handgun
 - Increase in sentence for felon in possession of a firearm
 - Increase sentence for aggravated fleeing a law enforcement officer
 - Increase penalty for firearm enhancement
- Electronic Monitoring for law enforcement investigation
 - Law enforcement can get immediate access to data from ankle monitors when there is a reasonable suspicion a suspect may be involved a violent crime
- New Judges
- Crime reduction grants and Violence intervention program grants

There was also significant discussion on changes to the tax code, including tax cuts and elimination of the tax on social security benefits. The Legislature passed HB163 an omnibus tax package that includes the following:

- Tax rebate of \$250 for single and married filing separately with AGI of less than \$75,000 and \$500 for married filing jointly with AGI of less than \$150,000
- Child income tax credit for 2023-2027, credit of \$25-175 depending on the AGI
- Limited military pension exemption
- Social Security exemption
- New Market Solar Tax Credit
- 0.25% cut to gross receipts tax over two years
- 0.25% cut to compensating tax over two years
- Exemption of GRT for business-to-business services to a manufacturer
- Exemption of GRT on feminine hygiene products

The most significant work that occurred on HB163 is what was **not** included in the final bill. The original draft of the legislation included a five-year moratorium on local governments, prohibiting the imposition of any additional gross receipts tax increments at the local level. We worked hard to protect authority of local governments. After several discussions with numerous legislators and the bill sponsor, the sponsor agreed to remove the moratorium.



Because of continued increased revenues, the legislative leadership has indicated they will continue work on comprehensive tax reform during this interim period with a goal of passing comprehensive tax reform in the coming 60-day session.

Finally, the legislature passed, and the Governor signed legislation which caps interest on small loans at 36%. Proponents have been working this legislation for many years and it was signed into law this year.

The Capital Outlay package included total funding of \$823,106,421 for capital projects. Included with this report is a listing of projects funded by County and a list of which projects individual legislators funded.