

**2012 LEGISLATIVE OUTCOMES REPORT  
BERNALILLO COUNTY**

**PREPARED BY:**

**Shoats and Weaks Inc.**

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## **Executive Summary:**

Shoats and Weaks Inc., is pleased to present the following report to the Bernalillo County Board of Commissioners and county staff on the outcomes of the 2012 state legislative session.

The 2012 legislative session was a 30 day session limited to fiscal issues and items messaged by the Governor for consideration by the legislature. Substantive legislation therefore either had to be given a message from the Governor or declared germane to the session by the Rules Committee in the House or the Committee's Committee in the Senate.

There were a limited number of messages issued by the Governor and both chambers were conservative in declaring proposed bills germane. As a result, there were a relatively small number of bills introduced compared to previous sessions and an even smaller number actually considered germane. In the final analysis, there were 744 bills introduced; only 77 bills that were passed by both chambers (the fewest number since 1976). Of those bills, 13 were subsequently vetoed by the Governor.

The fiscal condition of the state is still reflective of the depressed economic condition of the nation as a whole. The state has recovered somewhat from the budgetary crisis it faced in the past few years; however, general revenue growth while positive was limited, resulting in only approximately \$160 million in projected new funds. Education and Medicaid accounted for most of the new expenditures with the balance of state operational budgets remaining level. The \$5.6 billion represents a very small increase over the previous year's budget.

Funds available for state supported capital outlay projects was also low in comparison to previous years. Bonding capacity for severance tax supported projects was estimated to be approximately \$140 million. HB 191 contained \$147 million in authorizations for capital projects passed by the Legislature. The Governor subsequently vetoed \$23 million of the projects with line item vetoes leaving a total of \$124 million in approved projects statewide.

The lion's share of capital outlay in Bernalillo County went to fund the Paseo del Norte project at \$30 million, area legislators put in \$2.3 million of their discretionary capital allocation and the Governor put in \$27.5 million which left a very limited pool for other projects in the County. Bernalillo County received a total of \$3.8 million in other capital outlay projects under county jurisdiction that were approved by the legislature; the Governor vetoed \$815 thousand of that \$3.8 million.

Following the format of AR 2011-73 Resolution Establishing the Legislative Policy for the County of Bernalillo for the Fiftieth Legislature, Second Session, of the State of New Mexico:

**1. Oppose any revenue reductions or diminishes county regulatory authority. The only substantive legislation impacting the county's revenues that was enacted was HB 184 which provides for a reduced pyramiding of GRT on construction related services such as architecture, drafting, surveying, engineering, environmental and structural testing services, and the leasing of construction equipment. The bill also provides for a phased in gross receipts tax deduction for receipts of selling tangible personal property that is used in a manufacturing process. The projected loss of revenues falls mainly on municipalities due to their heavy reliance on the GRT. The fiscal impact is relatively small on the county. The manufacturing component should reduce revenues by approximately \$120,000 and the construction component about \$150,000 in fiscal year 13. Bills seeking to eliminate the hold harmless provisions the state pays to local governments to offset the food and medical GRT exemptions were killed. Those bills would have had a major negative fiscal impact on the counties and municipalities.**

**Items 2, 3, and 4 all relate to corrections reforms and were incorporated into HJM 20 Bernalillo County Corrections and Case Management Project. This joint memorial was introduced as a comprehensive approach to moving the case management corrections reform and RCC renovation project forward in an inclusive and coordinated manner. The memorial fostered significant discussion and debate among legislators, the courts, District Attorney, Public Defender and judicial reform advocates and the behavioral health community. Undertaking the development and implementation of the model envisioned for the County will require a great deal of collaboration which this memorial is intended to promote. The success of any legislation or regulatory or rule changes needed to realize the reforms and capital outlay to provide services will be significantly enhanced as a product of this comprehensive study.**

**5. Amend and enact sections of the Fire Protection Fund Act to provide eligibility for fire stations regardless of jurisdictional boundaries. HB 11 Fire Protection Across Juridictions Rep. Rick Miera was enacted. Initially considered not germane this bill was successfully moved through the process and signed into law. Bernalillo County Fire personnel and the State Fire Marshall were very helpful in moving this bill.**

**6. Amend legislation to pursue salary increases for elected county officials. HB 188 was passed by the legislature but was vetoed by the Governor. Executive message #**

**7,8,9. These items were consolidated into two bills and were moving through the process well. Unfortunately the bills stalled the last day of the session in the Senate Judiciary Committee based on concerns with the increased fees. These bills should be pursued again next session and presented during the interim to the Courts, Corrections and Criminal Justice Committee.**

10. Support legislation to provide an exemption from the state procurement code for class A counties. There were several procurement bills that were introduced that were supported by the administration and the Legislative Finance Committee. Amendments were proposed to these bills to comport with County proposals; however, none of the procurement bills were passed. This issue and the discussion of special needs and conditions in large class A counties resulted in the drafting and introduction of HJM 22 County Governance Task Force. This joint memorial calls for a comprehensive study of the governance issues facing large counties in the state and the potential for such counties to adopt "County Home Rule" charters as municipalities can in order to afford a greater opportunity for self-governance, flexibility and economic efficiencies. Some of the recent county concerns and initiatives relative to the authority to pursue administrative processes to assess fines, penalties and liens for certain violations of ordinances will also be examined. The New Mexico Association of Counties and the Local Government Division of the state Department of Finance and Administration will also participate in the study.

11. Amend statutes to allow counties to take uncollectable debts of the books. This is a universal issue with public entities that requires a constitutional amendment. There was no support from legislators to pursue this issue this session. The issue will be taken up during the interim.

12. Amend Section 7-38-34 NMSA 1978 which requires Boards of County Commissioners to issue and deliver to the County Assessor its own order imposing property tax rates within 5 days of receipt from the state Department of Finance and Administration. Pursuant to conversations with the Secretary of DFA legislation was not pursued on this issue. Assurances were given that the issue would be resolved by administrative action.

13. Pursue longevity property tax credit or Homestead Provision. The property tax credit component of this item was not supported by legislators and would require a constitutional amendment. The Homestead provision was incorporated into a bill that was introduced SB— but failed to pass.

14. Introduce a memorial asking all counties to support locally and nationally manufactured goods by purchasing America products exclusively if they are available. HJM – was introduced but failed to receive broad support. Discussion on this issue included issues of cost, procurement rules, enforcement, compliance and market freedom.

#### **Capital Outlay Requests:**

North Valley Little League. Request \$2.5 million. \$340.0 legislature approved. Vetoed. Discussions during the session with Officials from the NVLL indicated that they were interested in pursuing the county owned sit on Edith and Candelaria Blvd., across from the

**YDDC facility. Drainage and site work will be required as well as an acquisition or trade for an additional Acres from the state.**

**Alameda Little League. Request \$500.0. Legislature approved. \$234.0. Signed.**

**South Valley Pool. Request. \$5 million. Legislature Approved. \$225.0. Vetoed.**

**Paradise Hills Little League. Request. \$350.0. Legislature Approved \$450.0. Signed.**

**International District Improvements. Request \$400.0 Legislature Approved \$50.0. Vetoed**

**East Mountain High School Track. Request \$700.0. Not Approved**

**Loma Ponderosa Open Space. Request @2.3 million. Not Approved.**

**Carolito Springs Open Space. Request \$600.0 thousand. Not Approved.**

**Sedillo Ridge Fuel Wood Thinning. Request \$700.0. \$300.0 Legislature approved for statewide fire suppression projects. Signed.**

**Correctional Facility Renovation. Request \$5.0 million. Legislature Approved \$525.0. Signed.**

**(See attachment A: Listing of all approved and vetoed capital projects in Bernalillo County HB 191).**

**Addendum Items to AR No. AR 2011 2012 adopted January 10<sup>th</sup>, 2012.**

- 1. Support legislation related to the I-25/Paseo Del Norte Interchange Project to emphasize community collaboration. The Paseo project received \$30 million in capital outlay appropriations, with allocations from nearly all Bernalillo County delegation participation.**
- 2. Introduction and adoption of legislation permitting the establishment, by counties and municipalities, of a financing mechanism for public transportation infrastructure through the enactment of a Transportation Reinvestment Zone Act. SB 36 The Transportation Reinvestment Zone Act was introduced and was not heard by the Senate Finance Committee. The bill received a very negative fiscal impact report from the Legislative Finance Committee and with the significant appropriation for the Paseo project in the capital outlay bill SB 36 was deemed unnecessary by the committee.**
- 3. Amend NMSA 4-37-3, County Ordinance Enforcement Jurisdiction to allow counties the ability to impose administrative penalties under the County Animal Control Ordinance. This issue was discussed with legislative and gubernatorial staff and determined to not be germane to a short session and was not provided a message from the Governor. This issue along with several others involving county jurisdictional**

authority should be reviewed under the scope of the study directed by HJM 22 Class A County Governance Study.

4. Support Legislator sponsored legislation that is consistent with the priorities set by the County.

**Other enacted bills of County interest:**

**HB 46 NMFA Public Project Fund Authorizations.** Includes projects for the ABCWUA and the East Mountain High School.

**HB 55 Local Government Planning Fund.** Expands the purposes of the planning fund to include energy audits and economic development and appropriates \$2 million.

**HB 102 Provide Estimates of Property Tax in Valuation Notices.** Will require some procedural revisions and additional data to be included in the Assessor's Notices of Valuation.

**HB 184 Manufacturing Sales and Constructions Services Gross Receipts Exemptions.** Provides for a graduated reduction of GRT imposition for certain manufacturing and construction related services. The Finance Department should develop a fiscal impact analysis of this legislation. Initial impact on county revenues should be relatively minor (less than \$200 thousand annually). Long term impact should include a "dynamic scoring" factoring in economic growth as a result of the reductions in tax.

**SB 32 Unemployment Fund Contributions.** This bill revises the contribution requirements to the unemployment contribution fund.

**SB 52 No Precinct Worker Benefit Suspensions.** This bill should help in the recruitment of poll worker by the County Clerk it allows retired public worker to be employed as poll workers without losing public retirement benefits.

**SB 66 General Obligation Bond Projects.** Provides \$134 million in capital projects for Senior Citizen Centers and educational institutions statewide.

**SB 197 Felonies by Public Officials.** This anti-corruption bill provides for enhanced fines and penalties to be assessed against a public official inclusive of the salary and fringe benefits received after the date of the felony occurred for which the official was convicted.

