

LFC Requester:

Ismael Torres

NMDOT BILL ANALYSIS 2025 REGULAR SESSION

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute, or a correction of a previous bill}

Check all that apply:

Date Prepared: 3/10/2025

Original Amendment

Bill No. HM 51

Correction Substitute

Sponsor: Patricia A. Lundstrom, Derrick J. Lente, Mark Duncan, Macaela Lara Cadena, and Elaine Sena Cortez

Agency/ Code: NMDOT - 805 - Revenue Planning

Short Title Static & Dynamic Scoring Implications

Person Writing Analysis: Michael Morrison

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

None.

REVENUE (dollars in thousands)

Not applicable.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See Fiscal Impact Below					

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

House Memorial 51 (HM 51) directs the Consensus Revenue Estimating Group (CREG) to undertake a review of the literature and a study of the implications of static and dynamic scoring on fiscal policy proposals, including both taxation and spending, and receipts. HM 51 also directs CREG to report its findings and any recommendations to the members of the Legislative Finance Committee (LFC) on or before September 1, 2025. The report must include examples of the application of the two scoring methods on specific examples of revenue changes and spending

proposals. The examples should include the dynamic effects of eliminating or reducing the personal income tax along with a commensurate reduction in state spending and significant additional highway project construction spending with commensurate additional state revenue collections.

FISCAL IMPLICATIONS

Assuming the literature review, study of the implications of static and dynamic scoring and production of the report are conducted by CREG and not contracted to an outside firm, there is likely to be little to no fiscal implications.

If CREG contracts the literature review, study and report to an outside firm, the contract costs would be a fiscal implication; however, it is not possible to estimate the actual cost of the contract at this time.

SIGNIFICANT ISSUES

None at this time.

PERFORMANCE IMPLICATIONS

None at this time.

ADMINISTRATIVE IMPLICATIONS

The time commitment necessary to complete the literature review, study and report is expected to be significant. It is likely that the Revenue Planning Bureau would be required to cancel or postpone several anticipated projects until the completion of the report, or until after the 2026 legislative session.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None at this time.

TECHNICAL ISSUES

None at this time.

OTHER SUBSTANTIVE ISSUES

None at this time.

ALTERNATIVES

None at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDOT will continue to provide a safe and efficient transportation system for the travelling

public, while promoting economic development and preserving the environment of New Mexico.

AMENDMENTS

None at this time.