

LFC Requester: _____

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)**

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:
Original **Amendment** _____
Correction _____ **Substitute** _____

Date Prepared 2/19/2025
Bill Number: SENATE BILL 52

Sponsor: Soules;
Short PUBLIC OFFICE TRAVEL
Title: REIMBURSEMENT

Agency Name and Code DFA-341
Number: _____
Person Mark Melhoff
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	800	900	1,000	2,700	recurring	All funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

- The bill adjusts reimbursement rates for travel by privately owned automobile and airplane for public officers of the legislative branch.
- Legislators on official business for interim committees within the state receive per diem at the IRS rate and mileage reimbursement at the standard rate set by the U.S. General Services Administration (GSA).
- Additional per diem is provided for travel over 100 miles if not already covered.
- Out-of-state travel reimbursement includes ticket costs, airport parking, mileage at in-state rates, and per diem for travel and committee business days.
- Reimbursement for out-of-state travel cannot exceed the cost of first-class public air transportation.
- Non-salaried public officers receive per diem for board or committee meetings attended, with different rates for physical and virtual attendance.
- Salaried public officers and employees receive reimbursement for in-state and out-of-state travel based on rates set by the Department of Finance and Administration, considering GSA rates.
- Mileage reimbursement for privately owned vehicles and airplanes is based on GSA rates.
- Per diem and mileage are in lieu of actual expenses for transportation, lodging, and subsistence.
- Additional subsistence rates may be authorized for certain state employees.
- Per diem for non-salaried public officers and employees is prorated according to rules.
- With prior approval, public officers and employees can receive reimbursement for actual lodging and meal expenses, not exceeding the maximum rates set by the Department of Finance and Administration (DFA).

The act takes effect on July 1, 2025.

FISCAL IMPLICATIONS

While there are fiscal implications to this bill, they are already being assumed as DFA increased the reimbursement rate to 100% through NMAC rule in January of 2024.

The language changes found in this bill are fully supported by DFA.

There will be an increase to the Judicial branch of government from a budgetary perspective as the NM Supreme Court limited mileage reimbursement for courts to 52 cents during calendar year 2024. The difference of the increased amount would impact their budgets.

For Fiscal Year 2024, the state spent \$4M on mileage reimbursements to state employees and public officers (not including legislative members). The additional cost of this bill can be calculated at 20% of this annual cost as the state was previously only reimbursing 80% of the IRS rate. This can be estimated around \$800k per year.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

DFA would recommend striking “of the previous year” on Page 5, Line 24. This would align the state reimbursement rate to the rates set by the Federal IRS/GSA on an annual basis instead of going back to the rate from the previous year. From a practical and administrative perspective, this would make the travel reimbursement process much more standard across the state, both at the state and local level. This change will also mirror what is currently in 2-1-9 for legislative members' travel reimbursement.

DFA would also recommend changing the effective date of this legislation to January 1, 2026, to avoid mid-year rate changes since the rates are based on the IRS calendar year rate-setting process.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS