

LFC Requester:

Joseph Simon

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/23/2025

Check all that apply:

Bill Number: SJR 2

Original Correction
Amendment Substitute

Sponsor: Roberto J. Gonzales and Cynthia Borrego

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: Public Employees Retiree Health Care Funds

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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 revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

This bill proposes an amendment to Article XX of the New Mexico Constitution, adding a section that would create a trust fund and institute certain restrictions on how funds for a public employee retiree health plan would be administered. The bill provides that the board of the public retiree health care system are the trustees of the trust fund and have the sole and exclusive fiduciary duty and responsibility for the administration and investment of the trust fund.

FISCAL IMPLICATIONS

None noted.

SIGNIFICANT ISSUES

Pursuant to the Retiree Health Care Act, 10-7(C)-1 et seq., NMSA, the retiree health care fund under Section 8 is administered by the Board of the retiree health care authority and investments of the money in the fund are determined by the board, the state investment officer and the state treasurer.

The language in the proposed amendment closely tracks that of the constitutional provisions related to the administration of public employee and educational employee retirement funds contained in Article XX, Section 22. However, it is worth considering whether there are structural differences between the two systems that warrant additional or modified language. Specifically, are there expenditures of the proposed public employee retiree health plan that might not fit neatly into the categories of “administration” and “for the benefit of its members . . . and other beneficiaries?”

PERFORMANCE IMPLICATIONS

None noted.

ADMINISTRATIVE IMPLICATIONS

None noted.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

Suggest changing “has” to “have” on page 2, line 14 for grammatical consistency.

OTHER SUBSTANTIVE ISSUES

None noted.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo; no specific constitutional limitations on the administration of a retiree health plan.

AMENDMENTS

N/A