

<b>LFC Requester:</b>	<b>Faubion, Jennifer</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

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*(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}*

**Date Prepared:** 2/11/25 *Check all that apply:*  
**Bill Number:** SJR10 Original  Correction   
 Amendment  Substitute

**Sponsor:** Senator Block **Agency Name and Code** 366-PERA  
**Short** EMERGENCY **Number:** \_\_\_\_\_  
**Title:** RESPONDER'S PROPERTY **Person Writing** Anna Williams  
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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
<b>Total</b>						

(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**

##### Synopsis:

SJR 10 proposes an amendment to Article 8, Section 5 of the Constitution of New Mexico by adding in a new section to provide a fifty percent property tax exemption for the primary residence for certain active emergency first responders and retired first responders who have earned a pension benefit equal to one hundred percent of the person's final average salary.

#### **FISCAL IMPLICATIONS**

SJR 10 will not have a fiscal impact on PERA.

#### **SIGNIFICANT ISSUES**

“Certified emergency first responder” is not defined. It is unclear who would be covered by the exemption. The language includes that the exemption shall be “as provided by law,” signaling the need for enabling legislation, which would likely clarify the meaning of this term. However, without further information on what will be included in that legislation, PERA is unable to provide an exact number of individuals who could be affected by this joint resolution. Enacting legislation, or potentially this joint resolution, would also need to account for members who have earned service credit under multiple coverage plans. It is foreseeable that a member could have a short period of time during their career that they were not considered a first responder, which could effectively prevent a member from earning the entirety of their service credit as a first responder.

The language of the joint resolution is seemingly limited to active emergency first responders who are employed by local governments and not active emergency first responders employed by the state. However, there is no limitation that the retiree be retired from a local government. Furthermore, the language could be read to allow an active member, who was employed by a local government and completed the probationary period and then later became employed by the state, to continue to receive the property tax exemption.

Due to the structure of Subsection C of Section 1 of the joint resolution, it seems clear that an individual would need to satisfy both Paragraphs (2) and (3), however, there could be ambiguity as to whether an individual would need to satisfy only Paragraph (1) or both Paragraphs (1) and (3). PERA will defer to the traditional drafting conventions, but as a proposed constitutional amendment, it is advisable to ensure the intent regarding occupancy is clear within the joint resolution.

#### **PERFORMANCE IMPLICATIONS**

SJR 10 will not affect PERA's performance measures.

#### **ADMINISTRATIVE IMPLICATIONS**

PERA would have to determine a method for proof of eligibility for first responders and determine system changes may be needed to implement the same.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

The joint resolution could potentially incentivize members to postpone retirement and continue working or to suspend retirement and become reemployed to obtain 100 percent of the members' Final Average Salary. For a member who is covered under a plan with a 3 percent multiplier, that member would need to earn 33.3 years of service credit. Service credit multipliers vary by plan and range between 2.5 percent and 3.5 percent. Certain members covered under the State Public Safety Plan also receive a service credit enhancement. The length of time that a member would need to work to obtain a pension benefit equal to 100 percent of the members Final Average Salary will depend on what members are considered "certified emergency responders" and the coverage plans applicable to those members.

#### **ALTERNATIVES**

None.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

PERA would continue to follow the existing statutes in NMSA 1978 and the New Mexico Constitution.

#### **AMENDMENTS**

None.