

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

SPONSOR Lente/Armstrong LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/12/2025  
BILL  
SHORT TITLE Remove MRGCD From Local Election Act NUMBER House Bill 308  
ANALYST Hilla

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
MRGCD	No fiscal impact	At least \$200.0	No fiscal impact	At least \$200.0	Nonrecurring	Other state funds

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Conflicts with Senate Bill 218

### Sources of Information

LFC Files

#### Agency Analysis Received From

Secretary of State (SOS)

New Mexico Attorney General (NMAG)

#### Agency Analysis was Solicited but Not Received From

New Mexico Municipal League (NMML)

New Mexico Counties (NMC)

New Mexico Councils of Governments (COGs)

## SUMMARY

### Synopsis of House Bill 308

House Bill 308 (HB308) removes the Middle Rio Grande Conservancy District (MRGCD) from the Regular Local Election (RLE) and from the Local Election Act. HB308 creates new procedures for candidate declarations and election administration and reduces the deadline for voter registration and ballot preparation from 180 days to 45 days. The bill shifts election oversight from county clerk to an independent election director.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

## FISCAL IMPLICATIONS

By removing MRGCD from the Local Election Act, HB308 sets MRGCD as responsible for

paying for the cost of its own elections, in addition to following new compliance set by HB308.

This fiscal analysis uses the costs from the 2023 RLE for Bernalillo, Sandoval, Socorro, and Valencia Counties (since MRGCD is spread across the four counties) to estimate the potential starting cost for MRGCD's 2025 election to be at least \$200 thousand. While the table indicates this as a nonrecurring cost, elections would occur every other year, so it is a recurring cost only in even fiscal years.

## **SIGNIFICANT ISSUES**

Based on MRGCD's FY23 audit, the district ended FY23 and started FY24 with an unassigned general fund balance of \$11.3 million. Unassigned fund balances represent monies that are not designated for a specific purpose and can be used to the discretion of MRGCD. The district ended FY22 with \$7.7 million in unassigned fund balances. While MRGCD's FY24 audit is not public at the time of analysis, LFC anticipates unassigned fund balances at the end of FY24 to be in the \$7 to \$12 million range based on the district's FY22 and FY23 audits. Any unassigned general fund balance amount can be used towards covering costs of elections. However, it is important to note that MRGCD must submit a proposed budget for the general fund to its board of directors and to the Local Government Division at the Department of Finance and Administration (DFA); DFA must approve the budget prior to its legal enactment. Given the emergency clause, should HB308 pass MRGCD may have time to prepare a budget for DFA approval.

The Secretary of State (SOS) states:

Section 4 of HB 308 requires MRGCD to publish election information via proclamation prior to future elections, sets a date for the election to occur, gives the district rulemaking authority regarding election processes and permits the district to utilize elections procedures as outlined in the Election Code. The bill further provides that the district may conduct its elections "by paper ballot, electronic voting machine or any other state-certified tabulating voting machine."

SOS states it would provide feedback and input to the district's rulemaking process should the bill pass.

The New Mexico Attorney General (NMAG) states that HB308's movement of candidacy declarations and elections up by approximately a month do not appear to justify the emergency clause, and may benefit for an effective date designation rather than an emergency designation.

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

This bill conflicts with Senate Bill 218 (SB218), which seeks to collapse all municipalities under the RLE.

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

The SOS states that should HB308 not pass, SOS would be required to administer elections for MRGCD as part of the 2025 RLE. This would require voters to have a unique and separate process based on varying definitions of qualified elector that would occur simultaneously with

existing processes for statewide elections. SOS asserts that this “would demand a great amount of time and significant financial resources in order for implementation to proceed securely and timely.”

EH/rl/SL2