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FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/22

SPONSOR SJC LAST UPDATED _____ HB _____

SHORT TITLE Increase Juror Compensation SB 164/SJCS

ANALYST Mulvaney

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		*\$654.0	\$680.0	\$1,344.0	Recurring	Jury and Witness Fee Fund

(Parenthesis () Indicate Expenditure Decreases)

*This analysis uses the state minimum wage which is higher than the federal minimum wage at this time.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG) Response to original bill

Administrative Office of the Courts (AOC) Response to original bill

SUMMARY

Synopsis of Bill

The Senate Judiciary Committee Substitute for Senate Bill 164 (SB164) would amend Sections 35-8-7 and 38-5-15 NMSA 1978 to increase compensation of jurors and persons summoned for jury service in magistrate court for their time in attendance and service and mileage and compensation for jurors from “the highest prevailing minimum wage rate” to 150 percent of “the greater of the federal minimum wage rate or the New Mexico minimum wage rate prevailing state minimum wage rate.”

Persons summoned for jury service and jurors shall be reimbursed for travel in excess of 40 miles round trip from their place of actual residence to the courthouse when their attendance is ordered at the rate allowed public officers and employees per mile of necessary travel. Persons summoned for jury service and jurors shall be compensated for their time in attendance and service at 150 percent of the highest prevailing state minimum wage rate.

Jurors are currently compensated at the following rates:

\$11.50 effective January 1, 2022

\$12.00 effective January 1, 2023

The effective date of the provisions of this act is July 1, 2022.

FISCAL IMPLICATIONS

This change to increase juror compensation to 150 percent of the highest prevailing state minimum wage rate will increase the cost of the juror compensation by approximately \$654 thousand in FY23 for a total conservative projected juror cost of \$1.96 million and increase cost in FY24 by approximately \$680 thousand for a total conservative projected juror cost of \$2.04 million.

As per AOC:

When looking at the total projected added cost for juror compensation for fiscal year 2023 and beyond, there is a serious concern that the jury and witness fund will not be able to support the increase without a general fund increase in FY24.

In the current fiscal year, as of the end of December, expenses have exceeded revenue by \$470,176 causing use of the fund balance. With the end of COVID and a return to more normal court operations and jury trials an unknown, use of the fund balance for up to one million (\$1M) per year will deplete the fund by the end of fiscal year 2024. If the salary for jurors increases by 50% above the prevailing minimum wage in fiscal year 2023 the fund will be fully expended late fiscal year 2023 or early fiscal year 2024 unless the general fund recurring appropriation is increased by at least \$700,000.

SIGNIFICANT ISSUES

As per NMAG:

The proposed amendment in itself, i.e., changing the percentage of “the highest prevailing state minimum wage rate” from one hundred percent (100%) to “one hundred fifty percent” (150%), does not directly present any significant issue.

If the legislative intent is to reference the minimum wage rate established by Section 50-4-22 (A), NMSA 1978 of the Minimum Wage Act, it might be preferable to refer to that section expressly.

ALTERNATIVES

Keep juror compensation at the current rates that are equal to the prevailing state minimum wage rate (currently \$11.50, \$12.00 in 2023).

RELATIONSHIP

Relates to Section 38-5-15 NMSA (being Laws 1969, Chapter 222, Section 15, as amended).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The juror and witness fund will remain solvent for a longer period of time.