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FISCAL IMPACT REPORT

SPONSOR Neville LAST UPDATED 2/22/23
ORIGINAL DATE 2/1/2023
BILL Senate Bill
SHORT TITLE PRC Commissioner Salaries NUMBER 136/aSHPAC
ANALYST Dick-Peddie

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	\$10.0	\$10.0	\$20.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 2

Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From

Public Regulation Commissions

Administrative Office of the Courts

Attorney General

SUMMARY

Synopsis of SHPAC Amendment to Senate Bill 136

The Senate Health and Public Affairs Committee amended Senate Bill 136 to set PRC commissioner salaries equal to a district court judge's salary or \$190 thousand (the current salary for commissioners) whichever is greater.

Synopsis of Original Bill

Senate Bill 136 sets public regulation commissioner salary equal to that of a district court judge, currently approximately \$164 thousand. SB136 clarifies that no other salary will be offered to commissioners for services rendered but that they may receive per diem and travel reimbursements.

The effective date of this bill is July 1, 2023.

FISCAL IMPLICATIONS

Under Senate Bill 136, Public Regulation Commission (PRC) members would be paid the same annual salary as a state district court judges, or \$190 thousand, whichever is greater. Currently, district court judges are paid \$164 thousand annually. In 2020, voters approved a constitutional amendment replacing the five-member elected PRC with a three-member appointed PRC. Effective January 1, 2023, PRC members are appointed by the governor, instead of through district elections. Through written notice, the governor directed PRC to budget each commissioner at an annual salary of \$190 thousand, more than double the former commissioner salary of \$90 thousand, to attract competitive and qualified candidates. The newly appointed commissioners are currently being paid this rate. For FY23, the LFC recommendation for PRC, which the House Appropriations and Finance Committee adopted, budgeted commissioners at \$190 thousand.

However, Senate Bill 2, which proposes to set the salary for the chief justice of the Supreme Court equal to a federal magistrate judge (\$214 thousand annually) would increase state district court salaries as well, as all judge salaries are tied to each other. Under Senate Bill 2, a district court judge would earn approximately \$193 thousand per year. If both pieces of legislation were enacted, PRC commissioners would earn \$3,000 each, or a total of \$10 thousand including benefits, more than what is currently budgeted for the positions. During the 2022 regular legislative session, similar legislation increasing judge salaries (also Senate Bill 2) passed both chambers but was vetoed by the governor through inaction.

SIGNIFICANT ISSUES

Prior to the constitutional amendment transitioning PRC to an appointed commission, the salary for commissioners was set in statute. It is unclear if the Legislature retains the authority to set the new, appointed commissioner's salary. At the time of this analysis, the New Mexico Attorney General did not comment on whether or not the governor or Legislature holds the authority to set commissioner salaries.

The legislation has no fiscal impact in FY23 because the bill would not take effect until the first day of FY24.

ADP/rl/hg/rl/ne