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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Sens. Neville, Cervantes, Jaramillo and Nibert/Rep. De La Cruz</u>	<b>LAST UPDATED</b> <u>2/13/2024</u> <b>ORIGINAL DATE</b> <u>1/28/2024</u>
<b>SHORT TITLE</b> <u>County Official Salaries, CA</u>	<b>BILL NUMBER</b> <u>Senate Joint Resolution 16</u>
<b>ANALYST</b> <u>Hanika-Ortiz</u>	

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

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
SoS	No fiscal impact	\$75.0 to \$85.0	No fiscal impact	\$75.0 to \$85.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Note: The table above does not show the budget impact of SJR16 on the state or its local governments if voters ratify the amendment, only the cost of putting the proposed amendment to a vote at the next general election.

Duplicates House Joint Resolution 13  
 Relates to House Bill 241 and Senate Bill 177

### 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 Counties  
 Department of Finance and Administration (DFA)

Agency Declined to Respond  
 Administrative Office of the Courts (AOC)

## SUMMARY

### Synopsis of Senate Joint Resolution 16

Senate Joint Resolution 16 (SJR16) proposes to amend Article 10, Section 1 of the Constitution of New Mexico to remove the Legislature’s obligation to fix salaries for all county officers.

The joint resolution provides the amendment be put before the voters at the next general election (November 2024) or a special election called for the purpose of considering the amendment. The amendment would only be effective if approved by voters.

## **FISCAL IMPLICATIONS**

Under Section 1-16-4 NMSA 1978 and the New Mexico Constitution, the Secretary of State (SoS) is required to print samples of the text of each constitutional amendment in both Spanish and English in an amount equal to 10 percent of the registered voters in the state. SoS is also required to publish the samples once a week for four weeks preceding the election in newspapers in every county in the state. The estimated cost per constitutional amendment is \$75 thousand to \$85 thousand depending on the size and number of ballots and if additional ballots are needed.

Should this proposed constitutional amendment be approved by voters, each New Mexico county would establish, without legislative involvement, the salary of their new officers. The positions include the county commissioners, treasurer, assessor, sheriff, county clerk, and probate judge.

The budget impact would presumably be different for each county's funds. For instance, salaries for some appointees are based on a percentage of an elected position's official salary. The official salary for these positions is currently capped in statute, requiring legislative approval for changes, which is based on a county's classification and its assessed valuation. As of 2022, there were 302 of these elected positions, one per office, except for commissioners, which were 137.

SOS suggested it supports compensation schemes that encourage qualified candidates to apply.

## **SIGNIFICANT ISSUES**

If approved by voters, the guidelines in Sections 4-44-4 through 4-44-6 NMSA 1978 that require the Legislature to set salary caps applicable to certain elected county officials may no longer be needed. Presumably, salaries of those county officials would be fixed by ordinance or resolution.

NMAG said the second part of the proposed amendment provides clarity around the current practice of compensating these officials, which is salary-based and no longer a fee-based system.

## **PERFORMANCE IMPLICATIONS**

Under New Mexico Statutes, Section 4-44-12.3 (2017) also states:

- A. The intent of the legislature when enacting salary increases for elected county officials is to provide for equitable salary increases.
- B. In accordance with Sections 4-44-3 through 4-44-6 NMSA 1978, the majority of a board of county commissioners may provide for salary increases for elected county officials; provided that no salary increase shall take effect until the first day of the term of an elected county official who takes office after the date that salary increase is approved.

## **ADMINISTRATIVE IMPLICATIONS**

If passed by a majority of voters, each county would have to ensure continued transparency about how much their elected officials are compensated.

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

Relates to House Bill 241 and Senate Bill 177 that increase salary caps of newly elected county officials, although by different amounts. As opposed to SB177, HB241 has a provision for future

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adjustments to track the consumer price index (CPI), as published by the U.S. Department of Labor. The bill also requires that the Local Government Division at the DFA, if requested by a county, assist that county in the calculation of CPI for salary adjustment purposes.

Duplicates House Joint Resolution 13.

### **OTHER SUBSTANTIVE ISSUES**

Article IV, Section 17, of the constitution says the compensation of any officer cannot be increased or decreased during the term of office, except as otherwise provided in the constitution.

AHO/al/hg/ne