

LFC Requester:	Leger, Jeannae
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(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: 1/22/25 *Check all that apply:*
Bill Number: SJR01 Original Correction
 Amendment Substitute

Sponsor: Senator Figueroa, Senator Wirth, Senator Duhigg, Representative Garratt **Agency Name and Code** 366-PERA
Short Title: LEGISLATIVE SALARIES COMMISSION, CA **Number:** _____
Person Writing Anna Williams
Phone: 505-259-8489 **Email** Annae.williams@pera.nm.gov

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
Total						

(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 1 proposes an amendment to Article 4 of the Constitution of New Mexico to add a new section to create a citizen commission on Legislative Salaries to establish and set the salaries of the members of the legislature and to authorize payment of legislative salaries.

FISCAL IMPLICATIONS

Depending on the implementation of SJR 1, an actuarial impact on the Legislative Retirement Fund could exist. Currently, the Legislative Retirement Fund is largely funded through a tax distribution of certain oil and gas revenue. If legislators are provided a salary, the funding formula for legislative retirement would likely be based on that salary and require contributions by both the legislative members and the State of New Mexico; which would be consistent with other coverage plans under the Public Employees Retirement Act. Any actuarial impact would be dependent on those contribution rates and the restructuring of the current benefits.

SJR1 should not have an impact to PERA's operating budget

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

SJR 1 will not affect PERA's performance measures.

ADMINISTRATIVE IMPLICATIONS

PERA will have to make system modifications to its pension administration system related to the legislators moving from a being non-salary PERA member to a member who receives a salary.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

Because Legislators are prohibited from receiving legislative salaries, the retirement benefits are calculated in a manner that is unique within the PERA Act. State Legislator coverage plan 2 members receive an annual pension benefit of 14% of the per diem rate in effect on the first day of the fiscal year that the member retires multiplied by 90 and multiplied again by the years of service credit. The funding and benefit-calculation differences between legislators and public employees are in part due to the absence of legislative salaries. If this Joint Resolution is

approved by voters, changes to legislative retirement may occur. Without knowing whether corresponding changes would occur to legislative retirement, PERA is unable to analyze the effects of this Joint Resolution.

Furthermore, regardless of whether changes are proposed to the current legislative retirement plan, statutory changes to the PERA act may be required. Legislators are elected officials, however, receiving a salary may bring into question whether a legislator is also an employee of the state. Issues could exist regarding return-to-work provisions for members of the legislature who are retired state or public employees.

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Legislative members will continue to receive the retirement benefits currently provided by law. PERA will continue to follow the existing statutes in the PERA Act and the New Mexico Constitution.

AMENDMENTS

None