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FISCAL IMPACT REPORT

SPONSOR Sens. Figueroa and Wirth/Reps. Garratt, Rubio and Duhigg **LAST UPDATED** _____
ORIGINAL DATE 1/28/2025
BILL Senate Joint
SHORT TITLE Legislative Salaries Commission, CA **NUMBER** Resolution 1
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
SOS		No fiscal impact	\$35.0 to \$50.0		Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Administrative Office of the Courts (AOC)

New Mexico Attorney General (NMAG)

Public Employees Retirement Association (PERA)

Secretary of State (SOS)

State Ethics Commission (SEC)

SUMMARY

Synopsis of Senate Joint Resolution 1

Senate Joint Resolution 1 (SJR1) proposes to amend Article 4 of the Constitution of New Mexico by adding a new Section 43 to establish as an independent state agency a “citizen commission on legislative salaries” composed of nine public members that would determine an appropriate salary for legislators. SJR1 also amends Section 10 to establish and periodically adjust those salaries.

The joint resolution provides for the amendment to be put before the voters at the next general election (November 2026) or at a special election that is called for the purpose of considering the amendment. The amendment would only be effective if approved by a majority of voters.

FISCAL IMPLICATIONS

Because they do not receive a salary, legislators in New Mexico are only compensated through a daily per diem and mileage rate to cover their costs to attend legislative sessions in Santa Fe and interim meetings and other events in the state. In addition to per diem and mileage, however, legislators can also earn retirement benefits, based on their age and years of service, that is funded by oil and gas taxes rather than with traditional employer payroll contributions.

Although the new commission members would serve without compensation, they would be eligible to receive per diem and mileage as provided by law for similar boards and commissions.

If SJR1 is approved by voters, the new commission would file its first report with the SOS on or before October 1, 2028. The salaries would become effective with the first full pay period the following July. A recurring general fund appropriation for FY29 would then be needed. The exact cost of salaries for 112 legislators is unknown; but the cost of a base salary of \$50 thousand, for instance, for a part-time legislator would be approximately \$5.6 million annually. The long-term benefits of reducing corruption and improving policymaking may help offset those costs, however.

Under Section 1-16-4 NMSA 1978 and the New Mexico Constitution, 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 required to publish the samples once a week for four weeks preceding the election in newspapers in every county in the state. Further, the number of constitutional amendments on the ballot may impact the ballot page size or cause the ballot to be more than one page, also increasing costs. The estimated cost per constitutional amendment is \$35 thousand to \$50 thousand, depending on the size and number of ballots and if additional ballot stations are needed.

SIGNIFICANT ISSUES

The proposed “citizen commission on legislative salaries” would be composed of nine public members, no more than four from the same political party, that would consider salaries and adopt a report on or before October 1, 2028, and at least every four years thereafter. An affirmative vote from at least five members of the commission would be required to implement the salaries.

NMAG commented that five of nine commission members, who are unpaid, would set legislator salaries without oversight of that decision. Also, it is not clear who appoints commission members. The resolution only states that appointments, terms, and qualifications shall be provided by law.

ADMINISTRATIVE IMPLICATIONS

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

OTHER SUBSTANTIVE ISSUES

According to the National Conference of State Legislatures (NCSL), the lowest annual state legislator salary in 2024 was \$100 and the highest annual state legislator salary was \$142 thousand. In 2024, the average annual base salary for a state legislator was \$44.3 thousand. However, salary is only one component of legislator compensation. Each year, NCSL collects data from all 50 states, the U.S. territories, and Washington D.C. on legislative salaries and per diems which can be found at <https://www.ncsl.org/about-state-legislatures/2024-legislator-compensation>.