

# NMBA LEGISLATIVE REPORT

NEW MEXICO BANKERS ASSOCIATION  
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## Volume IV – Monday, February 12, 2018

There are 4 days remaining in the 2018 30-day Legislature. The session ends on Thursday, February 15 at noon.

House Joint Memorial 17 which requested that the Legislative Council convene a task force to study the advisability of establishing a state bank of New Mexico was tabled in the House Business and Industry Committee last week. The committee's action effectively kills the bill for this session.

The NMBA-supported trust proposals continue to move through the process. Our hope is that time will not run out before the legislation is approved. SB 101, Uniform Directed Trust Act, is expected to have a final Senate floor vote today. SB 137, the Trust Company Act revision, is also expected to be considered for final Senate floor action today. SB 19, Guardianship, Conservatorship and Other Protective Arrangements, is to be considered by the House Judiciary Committee today. Finally, HB 83, which addresses trust income taxation of nonresident trust beneficiaries, was included in the House Taxation and Revenue Committee's tax package and was approved by the full House 66-0. We are very hopeful that the tax package will be passed by the Senate.

It is still not clear whether the Legislature will enact legislation to impose a tax on internet sales and non-profit hospital service. A tax package containing both tax enhancements was vetoed by the governor last year. Imposing gross receipts tax on all online sales would bring in significant additional revenue to the state and provide a level playing field for local state retailers.

The House passed a proposed constitutional amendment (HJR 1) that would take one percent of the state's \$17 billion Land Grant Permanent Fund to pay for early childhood education. The state already draws down approximately five percent of the fund each year-which was \$747 million in 2017 for public schools, universities and other institutions. It is unlikely that the Senate will approve the constitutional amendment by the end of the session.

House and Senate Committees last week rejected proposals that sought to prohibit requiring a person to pay fees to a union as a condition of employment. Opponents of the "right to work" bill argued that the bill is misleading and that relatively few workers in New Mexico are covered by unions. Supporters argued that the legislature would make the state a more attractive place to do business and help grow the state economy.

Two very interesting education bills were introduced this session and have caused much discussion. HB 22 would require high schools to text parents of students who fall behind or are facing a coming test. HB 23 would require students to apply to college, for an internship, to the military or for a job before graduating. A 2017 study by Columbia University found weekly text-message alerts about missing assignments, grades and class absences reduced student course failures by 38 percent, increased class attendance by 17 percent and improved district retention rates by 2 percentage points. And at least one study found the mere act of applying and being accepted to college may change the way students perceive their qualifications as well as the value of college itself.

Senate Memorial 12 will be considered by the full Senate today. The memorial requests that the attorney general analyze the general compliance with the notification requirements of the state Data Breach Notification Act stemming from the 2017 Equifax data breach. Specifically, the attorney general is asked to evaluate:

- The compliance in New Mexico of the owners and licensees of personal identifying information and the service providers that retain the information under contract with the Data Breach Notification Act;
- The effectiveness of the current requirements of the Data Breach Notification Act in protecting personal identifying information and in assisting consumers to protect their credit after a data breach incident; and
- The methods that various states have used to ensure that consumers may freeze their credit reports for free and the costs and benefits of those methods.

The Senate Finance Committee on Saturday presented its revisions to the House budget bill (HB 2). The revised budget bill would increase spending by \$260 million or 4.1% over the current year. The revision would authorize \$54 million in one-time

funding for road projects statewide, \$10 million to improve highway rest areas and \$10 million to build a new hangar at Spaceport America. In addition, the Senate Finance Committee's plan would appropriate \$10 million to school districts statewide to help restore some of their cash balances. Lawmakers took more than \$40 million from districts statewide last year. The proposal would set aside more than \$632 million-or roughly 10 percent of state spending in cash reserves. The state's reserves were largely depleted last year, after two consecutive of lower-than-expected revenue collections prompted spending cuts and other budget-balancing maneuvers.

Last Tuesday was the filing date for candidates for major state offices. The list of declared candidates is:

**U.S. Senate**

Martin Heinrich – D

Aubrey Dunn – L

Mick Rich – R

**U.S. Congress**

**Congressional District 1**

Antoinette Sedillo Lopez – D

Damon Martinez – D

Debra Haaland – D

Damian Lara – D

Pat Davis – D

Paul Moya – D

Lloyd Princeton – L

Janice Arnold-Jones – R

**Congressional District 2**

Madeline Hilderbrandt – D

Xochitl Torres-Small – D

Angel Pena – D

Monty Newman – R

Yvette Herrell – R

Gavin Clarkson – R

Clayburn Griffin – R

John Valpato, Jr. – R

**Congressional District 3**

Ben Ray Lujan – D

Christopher Manning – L

Jerald McFall – R

**Governor**

Michelle Lujan Grisham – D

Jeff Apodaca – D

Peter DeBenedittis – D

Joe Cervantes – D

Steve Pearce – R

**Lt. Governor**

Rick Miera – D

Jeff Carr – D

Billy Garrett – D

Javier Gonzales – D

Howie Morales – D

Michelle Garcia Holmes – R

**Secretary of State**

Maggie Toulouse Oliver – D

Sandra Jeff – L

Johanna Cox – R

**Auditor**

Bill McCamley – D

Brian Colon – D

Wayne Johnson – R

**Treasurer**

Tim Eichenberg – D

Arthur Castillo – R

**Attorney General**

Hector Balderas – D

Blair Dunn – L

Michael Hendricks – R

**Land Commissioner**

Stephanie Garcia Richard – D

Garrett Veneklasen – D

George Munoz – D

Michael Lucero – L

Pat Lyons – R

**Key Dates:**

- January 16: Session began
- January 31: Last day to have filed bills
- February 15: Session ends at noon
- March 7: Deadline for governor to act on most legislation approved during the session

The New Mexico Bankers Association will prepare a weekly LEGISLATIVE REPORT throughout the 2018 Legislative Session. When a bill affecting our industry is first introduced, its pertinent provisions will be summarized. Thereafter, any further action taken on the bill will be reflected in subsequent reports. At any time you should desire a copy of a bill or additional information concerning any legislative matter, please direct your inquiry to the NMBA office at (505) 822-7900. To get copies of House and Senate bills online, go to <http://legis.state.nm.us> and then click on 'bill locator'. For a full text of the governor's "State of the State" address visit: <http://www.governor.state.nm.us>.



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New Mexico Bankers Association

**Status of Senate Bills and Resolutions:**

**SB 19: Uniform Guardianship, Conservatorship and Other Protective Arrangement Act (White).** Passed Senate 40-0. House Judiciary Committee

**SB 39: Prohibited Broadband Services Act (Morales).** Senate Committee's Committee

**SB 48: Personal Loan Benefit for State Employees (Tallman).** Senate Committees' Committee

**SB 50: Credit and Debit Card Campaign Contributions (McSorley).** Senate Committee's Committee

**SB 59: Credit Report Freezes for Minors (McSorley).** Senate Committees' Committee

**SB 70: Affordable Housing Act Oversight Duties (Ingle).** Senate Finance Committee

**SB 76: Regional Housing Authority Oversight (Papen).** Senate Finance Committee

**SB 81: Individual Development Account Provisions (Tallman).** Senate Finance Committee

**SB 90: Financial Services Campaign Contributions (Lopez).** Senate Committees' Committee

**SB 93: Liquor Dispenser's License Changes (Griggs).** Senate Committees' Committee

**SB 94: General Obligation Bonds (Cisneros).** Senate Finance Committee

**SB 101: Uniform Directed Trust Act (Ingle).** Senate floor

**SB 109: Tax Delinquent Property Sales (Baca).** Senate floor

**SB 112: NM Housing Trust Fund (Rodriguez).** Senate Finance Committee

**SB 118: Residential Energy Conservation Program (Martinez).** Senate Finance Committee

**SB 137: Trust Company Act (Ingle).** Senate floor

**SB 141: Decrease Marijuana Penalties (Cervantes).** Senate Committees' Committee

**SB 143: Public Service Law Loan Repayment Cap.** Passed Senate (38-0); House Judiciary Committee

**SB 155: Broadband Access Unfair Trade Practices (Morales).** Senate Committees' Committee

**SB 177: Gas Tax, Road Fund and Carlsbad Brine Well (Smith, Gonzales).** Senate Corporations Committee

**SB 179: Employee Preference Act (Ingle).** Senate Public Affairs Committee

**SB 180: Regional Air Center Special Economic (Ingle, Pirtle).** Senate Judiciary Committee

**SB 198: Frontier Community Investment Tax Credits (Campos).** Senate Corporations Committee

**SB 199: Change State Investment Council Membership (McSorley).** Senate Committees' Committee

**SB 206: Raise Minimum Wage (Munoz).** Senate floor

**SB 211: Payment of Restitution for Crimes (Moores, Candelaria).** Senate Judiciary Committee

**SB 216: Uniform Commercial Code Collateral (Payne).** Senate Committees' Committee

**SB 219: New Industry Job Growth and Forecasting (Shendo, Jr.).** Senate Finance Committee

**SB 227: Insurance Tax for Substance Use Disorder (Martinez, Cisneros).** Senate Finance Committee

**SB 228: Deduction of Certain Business Expenses (Ortiz y Pino).** Senate Corporations Committee

**SB 244: Public Disclosure of Cybersecurity Info (Candelaria).** Senate Judiciary Committee

**SB 253: Investment in Supranational Institutions (Rodriguez).** Senate Committees' Committee



**SB 255: Motor Vehicle Manufacturers as Dealers (Ortiz y Pino).** Senate Committee's Committee

**SB 257: Increase Film Tax Credit Aggregate Cap (Campos).** Senate Corporations Committee

**SB 262: Treasurer Use of Certain Revenues (Munoz).** Senate Finance Committee

**SB 263: Hospital Gross Receipts Changes (Cisneros).** Senate Corporations Committee

**SJR 2: Land Grant Funds for Education (Padilla).** Senate Finance Committee

**SJR 3: Early Childhood Education Dept. (Padilla).** Senate Rules Committee

**SJR 4: Marijuana Possession, Use and Taxes (Ortiz y Pino).** Senate Judiciary Committee

**SJR 7: Severance Tax Fund for Early Childhood (Sapien).** Senate Finance Committee

**SM 12: Data Breach Notification Act Compliance (Stefanics).** Senate floor

**SM 38: Glass-Steagall Act (Soules).** Senate Rules Committee

#### **Status of House Bills and Resolutions:**

**HB 36: Reinstate Solar Market Development Tax Credit (Trujillo, Ruiloba, and Rodella).** House Energy Committee

**HB 60: Increase Minimum Wage (Roybal Caballero).** House Rules Committee

**HB 82: Reduce Quarterly Workers' Comp Fee (Crowder).** House Rules Committee

**HB 83: Estate or Trust Distribution Tax Deduction (Trujillo).** Passed House (66-0)

**HB 95: Broadband Access Unfair Trade Practices (McCamley).** House Rules Committee

**HB 110: Rental Property Restitution (Baldonado).** House Judiciary Committee

**HB 113: Remove Film Tax Credit Annual Cap (Maestas).** House Taxation and Revenue Committee

**HB 140: NM Housing Trust Tax Refund Contributions (Alcon).** Passed House (61-0)

**HB 144: Broadband Access Unfair Trade Practices (McCamley).** House Rules Committee

**HB 163: Unimproved Land Property Tax Valuation (Gentry, Gonzales, Wirth, Neville).** House Labor and Economic Development Committee

**HB 172: Film Production Revolving Loan Fund Act (McCamley).** House Rules Committee

**HB 187: Extend Certain Multi-Term Contract Terms (Dodge Jr.).** Passed House (64-0)

**HB 189: State Law Over Private Sector Employment Law (Youngblood).** House Labor and Economic Development Committee

**HB 192: Repeal Public Works Minimum Wage (Scott, Townsend, Gallegos, Wooley).** House State Government Committee

**HB 194: Alternative Evidence for Tax Deductions (Harper, Trujillo, Brown, Sanchez).** Passed House (67-0); Senate Corporations Committee

**HB 195: Alternative Retirement Investment Reporting (McCamley).** House Rules Committee

**HB 201: Make Angel Investment Credit Refundable (Trujillo, Small).** Passed House (60-2); Senate Finance Committee

**HB 240: Conform Income Tax to Federal Changes (Campos).** House Education Committee

**HB 263: Carlsbad Brine Well Remediation Fund (Townsend, Scott, Brown).** House Appropriations and Finance Committee

**HB 272: Create New Income Tax Brackets (Trujillo).** House Taxation and Revenue Committee

**HB 288: Income Tax Changes (Maestas).** House Taxation and Revenue Committee

**HB 298: NM Catalyst Fund Job Creation Reporting (McCamley).** House Rules Committee

**HB 303: Educational Economic Development Reporting (McCamley).** House Rules Committee

**HB 307: Construction Contract Indemnity Agreements (Larranaga).** House Rules Committee

**HB 314: Credit Report Security Freeze (Martinez and Sarinana).** House Rules Committee

**HJM 17: State Bank Study (Ely).** Tabled in House Business and Industry Committee

**HJR 1: Land Grant Fund Distributions for Education (Maestas and Martinez).** Passed House (36-33); Senate Education Committee

**HJR 2: Land Grant Fund for Public Safety (Ely).** House Labor Committee

**HJR 3: Severance Tax Fund for Public Safety (Ely).** House Labor Committee

