

NMBA LEGISLATIVE REPORT

NEW MEXICO BANKERS ASSOCIATION
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The 2018 30-day Legislature adjourned on Thursday, February 15, having considered 370 House bills, 315 Senate bills, 54 Joint Memorials, 241 Memorials and 31 Constitutional amendments. The sheer volume of memorials introduced this session prompted Senator Cliff Pirtle to introduce Senate Memorial 115 which resolved that the 2018 Legislature be proclaimed “The Memorial Session” and that every session after “The Memorial Session” shall be known as “The Memorial Session II”, “The Memorial Session III”, etc., if subsequent legislative sessions produce more memorials than previous ones. Copies of SM 115 were to be transmitted to all Senate members except for those members who have exercised restraint by not introducing any memorials. Not surprisingly, the memorial was not adopted by the Senate.

Altogether, 110 bills passed both chambers of the Legislature this session-10 more than 2016, the last 30-day session. The Governor has until March 7 to review and take action on those bills approved during the session.

After resolving minor disputes between the House and Senate regarding road repairs and school fund balances, the Legislature approved a \$6.3 billion budget and increased the state reserves to 10 percent of recurring annual expenditures. The legislature spent \$259 million of the \$292 million in new money available for the next fiscal year. Overall, the budget would amount to a 4 percent increase in spending over the current fiscal year.

Of the trust and trust-related legislation that was introduced this session, all but HB 48, which addressed trust income taxation of nonresident trust beneficiaries, were enacted. SB 101, the Uniform Directed Trust Act, and SB 137, Trust Company Act

revisions, passed unanimously. SB 19, the Guardianship, Conservatorship and Other Arrangements Act, was approved by the Legislature but does not resemble the original bill which was based on a Uniform Guardianship Act recently approved by the Uniform Law Commission. The final product was a scaled-back version of the original 180 page measure. The bill underwent extensive edits as members of the state's judiciary expressed concerns that a more comprehensive overhaul of the system was too costly and in need of further study. The judiciary representatives advocated for reform, but were unprepared for the massive overhaul. Because of a lack of funding, the judiciary does not have a computer database to determine how many pending guardianship cases exist in the state. Estimates range from 5,000 to 7,000. As part of the legislative compromise for SB 19, the Legislature, in the final bill, requested that the judiciary study the implementation of the uniform act over the next two years and report their findings to the Legislature. Upon review of the final proposal, several attorneys have raised questions concerning the mechanics of several of the bill's provisions.

The legislature rejected proposals to tap into the state's land grant permanent fund to pay for early childhood education programs. It was estimated that any of the several proposed measures would have taken an additional \$150 million out of the fund annually.

Other Legislation:

The Legislature also approved legislation to:

- Add an additional \$100,000 to Financial Institution Division budget for employment and training;
- Appropriate \$200,000 to the Mortgage Finance Authority for regional housing oversight;
- Appropriate \$280,000 to the Mortgage Finance Authority for the NM Housing Trust Fund;
- Request that Attorney General analyze the general compliance with the notification requirements of the Data Breach Notification Act stemming from the 2017 Equifax data breach;
- Create a task force to find possible ways to provide checking accounts for foster children, aged 16-17, without a cosigner;
- Fund capital projects with general obligation and severance tax bonds;
- Provide funding, \$30 million, for the Carlsbad brine well remediation project;
- Provide a state-wide omnibus anti-crime package.

The Legislature did **NOT** approve:

- Right to work;
- State-owned bank study;
- Glass-Steagall memorial;
- Legalization of cannabis;
- Increase in minimum wage;
- Liquor license revisions;
- Change state investment council membership;
- Local government investment in supranational institutions;
- Reinstatement of solar market development tax credit;
- Removal of film tax credit annual cap;
- Utilization of land grant permanent fund for early childhood education or public safety;
- Increase gasoline and special fuels tax;
- Re-impose gross receipts tax on food;
- Increase tax on tobacco products

Key Dates:

- January 16: Session began
- January 31: Last day to have filed bills
- February 15: Session ended 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'.



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Status of Senate Bills and Resolutions:

SB 19: Uniform Guardianship, Conservatorship and Other Protective Arrangement Act (White). Passed by Legislature, as substituted

SB 39: Prohibited Broadband Services Act (Morales). Did not pass

SB 48: Personal Loan Benefit for State Employees (Tallman). Did not pass

SB 50: Credit and Debit Card Campaign Contributions (McSorley). Passed by Legislature, as amended

SB 59: Credit Report Freezes for Minors (McSorley). Did not pass

SB 70: Affordable Housing Act Oversight Duties (Ingle). Funding included in HB 2, General Appropriations Act

SB 76: Regional Housing Authority Oversight (Papen). Funding included in HB 2, General Appropriations Act

SB 81: Individual Development Account Provisions (Tallman). Did not pass

SB 90: Financial Services Campaign Contributions (Lopez). Did not pass

SB 93: Liquor Dispenser's License Changes (Griggs). Did not pass

SB 94: General Obligation Bonds (Cisneros). Passed by Legislature

SB 101: Uniform Directed Trust Act (Ingle). Passed by Legislature

SB 109: Tax Delinquent Property Sales (Baca). Passed by Legislature, as amended

SB 112: NM Housing Trust Fund (Rodriguez). Did not pass

SB 118: Residential Energy Conservation Program (Martinez). Did not pass

SB 137: Trust Company Act (Ingle). Passed by Legislature, as amended

SB 141: Decrease Marijuana Penalties (Cervantes). Did not pass

SB 143: Public Service Law Loan Repayment Cap (Ortiz y Pino). Passed by Legislature

SB 155: Broadband Access Unfair Trade Practices (Morales). Did not pass

SB 177: Gas Tax, Road Fund and Carlsbad Brine Well (Smith, Gonzales). Did not pass

SB 179: Employee Preference Act (Ingle). Did not pass

SB 180: Regional Air Center Special Economic (Ingle, Pirtle). Did not pass

SB 198: Frontier Community Investment Tax Credits (Campos). Did not pass

SB 199: Change State Investment Council Membership (McSorley). Did not pass

SB 206: Raise Minimum Wage (Munoz). Did not pass

SB 211: Payment of Restitution for Crimes (Moores, Candelaria). Did not pass

SB 216: Uniform Commercial Code Collateral (Payne). Did not pass

SB 219: New Industry Job Growth and Forecasting (Shendo, Jr.). Did not pass

SB 227: Insurance Tax for Substance Use Disorder (Martinez, Cisneros). Did not pass

SB 228: Deduction of Certain Business Expenses (Ortiz y Pino). Did not pass

SB 244: Public Disclosure of Cybersecurity Info (Candelaria). Did not pass

SB 253: Investment in Supranational Institutions (Rodriguez). Did not pass

SB 255: Motor Vehicle Manufacturers as Dealers (Ortiz y Pino). Did not pass

SB 257: Increase Film Tax Credit Aggregate Cap (Campos). Did not pass

SB 262: Treasurer Use of Certain Revenues (Munoz). Did not pass

SB 263: Hospital Gross Receipts Changes (Cisneros). Did not pass

SJR 2: Land Grant Funds for Education (Padilla). Did not pass

SJR 3: Early Childhood Education Dept. (Padilla). Did not pass

SJR 4: Marijuana Possession, Use and Taxes (Ortiz y Pino). Did not pass

SJR 7: Severance Tax Fund for Early Childhood (Sapien). Did not pass

SM 12: Data Breach Notification Act Compliance (Stefanics). Passed by Legislature

SM 38: Glass-Steagall Act (Soules). Did not pass

Status of House Bills and Resolutions:

HB 36: Reinstate Solar Market Development Tax Credit (Trujillo, Ruiloba, and Rodella). Did not pass

HB 60: Increase Minimum Wage (Roybal Caballero). Did not pass

HB 82: Reduce Quarterly Workers' Comp Fee (Crowder). Did not pass

HB 83: Estate or Trust Distribution Tax Deduction (Trujillo). Did not pass

HB 95: Broadband Access Unfair Trade Practices (McCamley). Did not pass

HB 110: Rental Property Restitution (Baldonado). Did not pass

HB 113: Remove Film Tax Credit Annual Cap (Maestas). Did not pass

HB 140: NM Housing Trust Tax Refund Contributions (Alcon). Passed by Legislature

HB 144: Broadband Access Unfair Trade Practices (McCamley). Did not pass

HB 163: Unimproved Land Property Tax Valuation (Gentry, Gonzales, Wirth, Neville). Did not pass

HB 172: Film Production Revolving Loan Fund Act (McCamley). Did not pass

HB 187: Extend Certain Multi-Term Contract Terms (Dodge Jr.). Passed by Legislature

HB 189: State Law Over Private Sector Employment Law (Youngblood). Did not pass

HB 192: Repeal Public Works Minimum Wage (Scott, Townsend, Gallegos, Wooley). Did not pass

HB 194: Alternative Evidence for Tax Deductions (Harper, Trujillo, Brown, Sanchez). Passed by Legislature

HB 195: Alternative Retirement Investment Reporting (McCamley). Did not pass

HB 201: Make Angel Investment Credit Refundable (Trujillo, Small). Did not pass

HB 240: Conform Income Tax to Federal Changes (Campos). Did not pass

HB 263: Carlsbad Brine Well Remediation Fund (Townsend, Scott, Brown). Did not pass

HB 272: Create New Income Tax Brackets (Trujillo). Did not pass

HB 288: Income Tax Changes (Maestas). Did not pass

HB 298: NM Catalyst Fund Job Creation Reporting (McCamley). Did not pass

HB 303: Educational Economic Development Reporting (McCamley). Did not pass

HB 307: Construction Contract Indemnity Agreements (Larranaga). Did not pass

HB 314: Credit Report Security Freeze (Martinez and Sarinana). Did not pass

HJM 17: State Bank Study (Ely). Did not pass

HJR 1: Land Grant Fund Distributions for Education (Maestas and Martinez). Did not pass

HJR 2: Land Grant Fund for Public Safety (Ely). Did not pass

HJR 3: Severance Tax Fund for Public Safety (Ely). Did not pass



