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FISCAL IMPACT REPORT

SPONSOR <u>Soules</u>	LAST UPDATED <u>3/20/25</u>	ORIGINAL DATE <u>1/24/2025</u>
SHORT TITLE <u>Public Office Travel Reimbursement</u>	BILL NUMBER <u>Senate Bill 52/aHGEIC</u>	
	ANALYST <u>Hilla</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
LCS		No fiscal impact	No fiscal impact		Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files
 The U.S. General Administration Department
 The U.S. Internal Revenue Services

Agency Analysis Received From
 Administration Office of the Courts
 General Services Department
 Ethics Commission
 Department of Finance and Administration

Agency Analysis was Solicited but Not Received From
 Attorney General

SUMMARY

Synopsis of HGEIC Amendment to Senate Bill 52

The House Government, Elections and Indian Affairs Committee (HGEIC) amendment to Senate Bill 52 strikes pages 1 and 2 completely (where the original bill amends the reimbursement rates for legislators). The amendment leaves the original bill’s changes to Section 10-8-4 NMSA 1978, the Per Diem and Mileage Act, intact.

Synopsis of Senate Bill 52

Senate Bill 52 (SB52) amends state law concerning legislators and legislative staff (Section 2-1-9 NMSA 1978) and the Per Diem and Mileage Act (Section 10-8-4 NMSA 1978) to change both the reimbursement rate for travel in a private automobile, now set at the Internal Revenue Service (IRS) rate, and the reimbursement rate for travel in a private airplane to the U.S. General Service Administration rate (GSA) rates. The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

Pursuant to Section 10-8-4 NMSA 1978, the current reimbursement rate for travel with a privately owned vehicle for public officers is based on the Internal Revenue Service standard mileage rate, set January 1 each year, and 88 cents per mile for each mile traveled in a privately owned airplane. In January 2024, the Department of Finance and Administration (DFA), which follows the Internal Revenue Service’s per diem rates (IRS) by statute, set the rate for public officers for 2025 at 70 cents per mile for travel in a privately owned vehicle. The New Mexico Supreme Court follows the same reimbursement method for judicial employees as of January 2025. The GSA rate noted in the table is 70 cents per mile for this same period. The IRS does not specify rates for airplane mileage. This bill would only impact public officers who travel by private aircraft because the rate would increase from 88 cents per mile to \$1.76 per mile, double the current rate per mile for aircraft travel. Because of the limited volume of private air travel for public officers, the change in rates is unlikely to represent a significant fiscal impact. HGEIC’s amendments do not pose an additional fiscal impact on the legislative branch as it returns methods of reimbursement to status quo.

U.S. General Services Administration 2025 Per Diem Rates

Modes of transportation	Effective/applicability date	Rate per mile
Airplane*	January 1, 2025	\$1.75
If use of privately owned automobile is authorized or if no government-furnished automobile is authorized and available	January 1, 2025	\$0.70
If government-furnished automobile is authorized and available	January 1, 2025	\$0.21
Motorcycle	January 1, 2025	\$0.68

*Airplane nautical miles (NMs) should be converted into statute miles (SMs) or regular miles when submitting a voucher using the formula (1 NM equals 1.15077945 SMs).

According to the Department of Finance and Administration (DFA), the state spent \$4 million across all funding sources in FY24 on mileage reimbursement for state employees and public officers, not including legislative members. The bills costs are already being assumed as the state reimbursement rate has increased to 100 percent of the IRS rate per a New Mexico Administrative Rule change in January last year.

SIGNIFICANT ISSUES

The IRS mileage rate of a privately owned vehicle is the same as the GSA mileage rate. For 2025, rates for privately owned airplanes would increase from 88 cents per mile referenced in Section 8, Per Diem and Mileage, to the GSA standard mileage rate of \$1.76 per mile. This bill affects public officers traveling by private plane.

EH/rl/hg/hj