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FISCAL IMPACT REPORT

SPONSOR Senate Rules Committee **LAST UPDATED** 2/06/2025
ORIGINAL DATE 1/28/2025
BILL CS/Senate Joint
SHORT TITLE Legislative Salaries Commission, CA **NUMBER** Resolution 1/SRC
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
Citizen Commission on Legislative Salaries	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

SUMMARY

Synopsis of Senate Rules Committee Substitute

The Senate Rules Committee Substitute for Senate Joint Resolution 1 (SRCS/SJR1) proposes to amend Article IV of the Constitution of New Mexico by adding a new Section 43 to establish a “citizen commission on legislative salaries” as an independent state agency composed of nine public members that would determine an appropriate salary for legislators. SRCS/SJR1 then amends Section 10 to authorize payment for those salaries.

SRCS/SJR1 provides for the amendment to be put before the voters at the 2028 general election, or at any special election prior to that date that may be called for that purpose. The amendment would be effective if approved by 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 around 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. LFC staff believe these costs would be minimal.

If SECS/SJR1 is approved by voters, the new commission would file its first report with the Secretary of State (SOS) on or before October 1, 2029. The salaries would become effective with the first full pay period the following July. A recurring general fund appropriation for FY30 would likely 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.

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. Additionally, 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 approximately \$35 thousand to \$50 thousand, depending on the size and number of ballots and if additional ballot stations are needed. These costs are beyond the additional operating budget impact table but will impact SOS by FY29.

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, 2029, 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.

Five of the nine commission members, who are unpaid, appear to have independent decision-making authority to set legislator salaries. Also, it is not clear how commission members are selected or if the commission’s determinations are subject to judicial review, for instance. The resolution only states that appointments, terms, and qualifications are provided by law.

ADMINISTRATIVE IMPLICATIONS

The Public Employees Retirement Association (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 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>.