



IPANM
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To: IPANM membership
 From: Karin Foster
 Date: 1/21/12

WEEK ONE – NEW MEXICO LEGISLATIVE UPDATE

The first week of the Session started off with concern for Speaker Lujan’s health. He is battling stage IV lung cancer but he is determined to retain his speakership. The Governor’s State of the State had some fireworks in the form of protesting 99 percenters. The Governor’s priorities include legislation on third grade proficiency; bullying, repeal of immigrant driver’s licenses and tax credits for small businesses. By the end of the week, over 300 bills had been introduced. Since this is a budget session, for bills to survive the Rules Committee in the House and the Committees on Committee in the Senate, the Governor has to issue Executive Messages on the issues raised in the bills.

This promises to be an interesting Session. As always, please contact me if you have any questions or if you are visiting Santa Fe!

Sincerely,
 Karin

Bill Numbers		Bill Names	Committee Assignments	Sponsors
House	Senate			
	SB 9	Corporate Rates and Combined Reporting	SCC/SCORC/SFC	Wirth
A repeat from the past several sessions with a twist; amends corporate income tax rates down and requires unitary corporations to file a combined return with their other unitary corporations as though the entire net income were that of one corporation; effective date 1/13				
	SB 15	Capital Investments Tax Credit	SCC/SCORC/SFC	Keller
A new bill that seeks to incentivize investment in manufacturing by allowing for a tax credit of the compensating tax on a capital investment or equipment purchase. As drafted, the bill exempts processing natural resources including fossil Fuels from the definition of manufacturing. However, I have spoken to the sponsor who is amendable to changing that definition if it will spur production.				
	SB 21	Energy Technology Higher Ed Endowment Fund	SCC/SCONC/SFC	Keller
A new bill that takes funds generated from GRT and Compensating Tax in the amount of \$835,000 to establish the Energy Technology fund. As defined here, "Energy Technology means energy that is produced by methods that improve energy efficiency by increasing the net benefits per unit of energy used"				
	SB 26	Neighboring State Citizen firearm purchases	SCC/SPAC/SJC-SCC	Payne
A new bill that repeals the section of the NM Criminal Code that prohibits NM citizens from purchasing firearms in contiguous states and will allow residents of those states of purchase firearms in NM.				
		Transportation Reinvestment Zone Act		

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	SB 36		SCC/SCORC/SFC	Eichenberg
creates transportation reinvestment zones as independent political subdivisions of the state with the power to assess a portion of the county GRT; separate bonding authority; for the purpose of improvements or new transportation modalities including updating or building local government-owned natural gas distribution facilities related to or located on transportation improvements.				
-		New Business Corporate Income Tax Credit	SCC/SCORC/SFC	
	SB 68			Keller
Adds a new section to the Corporate Income Tax Act that creates a new tax credit for new businesses established after 1/1/13 and before 1/1/23 that creates economic based jobs in NM. The NMTRD may allow a tax credit up to 50% of excess paid in NM in the base year of incorporation. The new business of expanded business may claim the credit for up to 10 years.				
-		Tax credits, deductions and reporting		
	SB 74		SCC/SCORC/SFC	Fischmann
Reduces capital gains deductions after 1/1/13 from 50% to 25% for a taxpayers net capital gains income (not to exceed \$1000); attempts to reduce the effects of pyramiding of GRT by creating another tax credit not to exceed \$13,000; similar to SB 9 requires unitary corporations to file with other unitary corporations as though the entire combined income were that of one corporation. Increases the Motor Vehicles Excise Tax from 3% to 4%.				
-		income tax credit for new businesses		
	SB 99		SCC/SCORC/SFC	Eichenberg
Similar to SB 68 to encourage new businesses that create economic based jobs; gives tax credit against corporate income tax liability of 25% of excess above taxes paid in base year; may be claimed for 7 consecutive years;				
-		Small Business Regulatory Commission		
	SB 109		SCC/SCORC/SRC/SJC	Boitano
Amends the Small Business Regulatory Relief Act to require an agency to notify the SMRC of the intent to change a rule or a form if the change affects small businesses, including making a form electronic; the SMRC has 30 days to respond that it is interested in the change; must hold a hearing within 45 days after that; there must be an agency rep at the hearing to hear recommendations on the change; The Commission shall provide agencies with input and it shall consider requests from small business owners to review rules; repeals section requiring periodic review of rules by an agency				

HOUSE BILLS:

Bill Numbers		Bill Names	Committee Assignments	Sponsors
House	Senate			
HB 22		Limited Motor Vehicle Tax Exemption	HBIC/HTRC	Trujillo
A bill supporting the exemption from gross receipts tax or compensating tax for the sale fo electric vehicles has been reintroduced this Session. The fiscal impact of the bill would be minimal given the low number of electric vehicles sold per year in NM				
HB 34		Rulemaking requirements	HRC	Gentry
				Keller
This bill is a comprehensive overhaul of the rulemaking process in NM. It will require the agencies in the Executive Branch to file preliminary rulemaking agendas with the public and the Legislative Council Service every June 30th. The agency may appoint a rule drafting committee and the bill requires the agency to provide for a hearing, public participation and comment in the hearings with a complete record available to the public at				

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no charge. The AG is tasked with establishing default rulemaking procedures. Finally, the bill states that the rule is neither valid nor enforceable until it has been filed and published in the NM register.				
HB 35		Public meetings agendas 72 hours prior	HRC	Smith
Amends the Open Meetings Act to require that agendas for any meetings subject to the Act must be made available to the public 72 hours prior to the meeting. The old standard requires publication of the agenda 24 hours prior to the meeting.				
HB 84		Appeals of State Engineer Decisions	HRC	Gentry
If the State Engineer renders a decision on an application without holding a hearing, the applicant may appeal directly to District Court or ask for a hearing within 30 days of receipt to the decision or order.				
HB 114		No corporation influence on elections	HRC	Egolf
Any entity organized under the NM Business Corporation Act shall not have the power to expend money to influence the outcome of any state, county or local election. Any foreign seeking to operate in NM shall obtain a certificate of authority only after agreement not to expend money to influence the outcome of any state, county or local election.				
HB 118		Second Hand Metal Dealer Requirements	HBIC/HAFC	Rodella
	SB 67		SCC/SCORC/SJC/SFC	Neville
increases regulatory burdens on second hand metal dealers; expands definition of copper or brass materials to include catalytic converters that are not part of a vehicle;				
HB 130		Reduce Corporate Income Tax rates	HBIC/HTRC	Strickler
eliminates different corporate tax brackets for incomes over 1m after 1.1.13; retains tax rate at 4.8% of net income from less than 500K; over 500K after 1.1.13 the rate increases to 6.7% of excess over 500K plus 24,000; after 1.1.14 over 500K rate drops to 5.8% of excess over 500K plus 24,000; after 1.1.15 over all tax rate is a flat 4.8%				
HJR 1		Preserve Land Grant Permanent Fund, CA	HVEC/HTRC	Trujillo
Seeks a referendum to amend the NM Constitution to allow the State Investment Council to apply the duty of care standards in the Uniform Prudent Investors Act. Changes the limits on foreign investments from a maximum of 15% to no limits. For purposes of this Act, a foreign investment is anything outside of NM.				