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FISCAL IMPACT REPORT

BILL NUMBER: House Joint Resolution 5

SHORT TITLE: Legislative Compensation, CA

SPONSOR: Parajon/Rubio

LAST ORIGINAL 1/21/2026
UPDATE: _____ **DATE:** _____ **ANALYST:** Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

| Agency/Program | FY26 | FY27 | FY28 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--|------------------|-----------|------------------|-------------------|---------------------------|---------------|
| Legislative Council Service (if HR5 is ratified) | No fiscal impact | \$3,800.0 | \$7,600.0 | \$11,400.0 | Recurring | General Fund |
| Secretary of State (to put to voters) | No fiscal impact | \$35.0 | No fiscal impact | \$35.0 | Nonrecurring | General Fund |

Parentheses () indicate expenditure decreases.

*Amounts do not include employer payroll taxes (10-12 percent of payroll) or benefits (up to 30 percent) if included.

Relates to House Bill 102

Sources of Information

LFC Files

SUMMARY

Synopsis of House Joint Resolution 5

House Joint Resolution 5 (HJR5) amends Article 4, Section 10 of the Constitution of New Mexico to add that each member of the Legislature is entitled to receive for their legislative service an amount equal to the annual median household income for New Mexico as initially determined and adjusted thereafter by the rise or fall of the median household income for New Mexico.

HJR5 also changes the term “shall” to “entitled to receive” which would apparently allow a member to refuse per diem and mileage allowances in addition to compensation.

The provisions of this new section would be effective beginning with members seated and sworn in for the fifty-ninth legislature.

HJR5 also requires that the amendment proposed by this resolution be submitted to the people for their approval or rejection at the 2028 general election.

FISCAL IMPLICATIONS

If approved by voters, based on 112 legislators and a median household income of about \$67,800, the cost to the general fund on an annual basis would be approximately \$7.6 million.

Under Section 1-16-4 NMSA 1978 and the New Mexico Constitution, the Secretary of State (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. SOS is required to publish the samples once a week for four weeks preceding the election in newspapers in every county in the state. 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 \$35 thousand to \$50 thousand, depending on the size and number of ballots and if additional ballot stations are needed.

SIGNIFICANT ISSUES

Without a salary, legislators are often limited to those who are independently wealthy, have high-income jobs that let them take time off, or are retired. A modest salary may allow more working parents, younger people, and lower income people to serve. A salary also reduces reliance on outside financial and other support including from lobbyists and interest groups that may include conflicts of interest. In New Mexico, legislators work far beyond the short legislative sessions.

The median household income is when half of households earn more, and half earn less. It includes earned and unearned income, and other cash sources including pensions, for all household members. According to the U.S. Census Bureau, in 2024, the median household income in New Mexico was about \$67,800. However, after adjusting for inflation, it was closer to about \$64,100.

Because they do not receive a salary, legislators are compensated through a daily per diem and mileage rate to cover costs to attend legislative sessions in Santa Fe and interim meetings and other events throughout the year around the state. In addition to per diem and mileage, legislators also receive retirement benefits based on a calculation that is unique among members covered under the Public Employees Retirement Act, funded by oil and gas tax (that would otherwise go to the general fund), rather than payroll contributions. Once legislators are no longer constitutionally prohibited from receiving salaries, contribution rates and benefit calculations can be based on salaries, to perhaps make their retirement plan more consistent with that for other employees.

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.

There will be additional work for the Legislative Council Service while they update operational rules and procedures.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 102, Legislative Compensation, which is contingent on passing HJR5. The bill further clarifies that compensation is adjusted every four years, legislators may refuse compensation, legislators are not state employees, and includes an effective date of January 16, 2029.

OTHER SUBSTANTIVE ISSUES

According to the National Conference of State Legislatures (NCSL), in 2024, the average base salary for a state legislator was \$44.3 thousand per 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>

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