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FISCAL IMPACT REPORT

SPONSOR <u>House Judiciary Committee</u>	LAST UPDATED <u>3/7/25</u>	ORIGINAL DATE <u>3/2/2025</u>
SHORT TITLE <u>Remove MRGCD From Local Election Act</u>	BILL NUMBER <u>CS/House Bill 308/HJCS/ec</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
Conservancy Districts	No fiscal impact	Indeterminate but substantial	No fiscal impact	Indeterminate but substantial	Recurring	Other state funds

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

Conflicts with Senate Bill 218

Sources of Information

LFC Files

Agency Analysis Received From
 Secretary of State (SOS)
 New Mexico Attorney General (NMAG)

Agency Analysis was Solicited but Not Received From
 New Mexico Municipal League (NMML)
 New Mexico Counties (NMC)
 New Mexico Councils of Governments (COGs)

SUMMARY

Synopsis of HJC Substitute for House Bill 308

The House Judiciary Committee (HJC) substitute for House Bill 308 (HB308) removes all conservancy districts from the Local Election Act, establishing independent election procedures for these districts statewide. The bill standardizes election governance by defining key terms, creating the role of an election director, and outlining new requirements for compiling qualified elector lists. It shifts conservancy district elections to odd-numbered years in October and eliminates certain absentee voting, election notices, and polling location requirements. Additionally, the bill grants conservancy district boards authority to adopt rules for elections, including procedures for candidate filing, vote tabulation, and canvassing.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

FISCAL IMPLICATIONS

By removing all conservancy districts from the Local Election Act, HB308 sets the districts as responsible for paying for the cost of their own elections, in addition to following new compliance set by HB308. HJC eliminates county involvement, setting districts as responsible for hiring election directors, maintaining polling places, certifying election results, purchasing election equipment, etc.

This fiscal analysis assumes the impacts of HB308 are indeterminate but substantial as the exclusion of county clerks from the election process is likely to lead to significant administrative burdens for conservancy districts. While the table indicates this as a nonrecurring cost, elections would occur every other year, so it is a recurring cost only in even fiscal years.

SIGNIFICANT ISSUES

SOS states that conservancy districts created and organized pursuant to the Conservancy Act have never been part of the Regular Local Election. HB308's elimination of county clerks' involvement in the election process could lead to loss of election expertise. Conservancy districts will have to develop their own election procedures, which could lead to inconsistencies in election administration. Additionally, county clerks maintain voter lists, which would require conservancy districts to contract with a list compiler to gather voter information, including verification and updates of property ownership records from county clerks and tribal governments. This could lead to potential increases in cost for property owners if conservancy districts decide to increase property assessment fees to cover the increase in cost.

HB308 shifts the definition of qualified elector to include property owners, but this could disenfranchise voters who live in the conservancy district, but do not own property, including tribal members. HB308 does not clearly establish the appeals process for election disputes and violations are enforced. The bill does not set auditing standards to review the new election processes to be established by conservancy districts.

It is important to note that conservancy districts must submit a proposed budget for the general fund to its board of directors and to the Local Government Division at the Department of Finance and Administration (DFA); DFA must approve the budget prior to its legal enactment. Given the emergency clause, should HB308 pass the larger conservancy districts, such as the Middle Rio Grande Conservancy District, may have time to prepare a budget for DFA approval. However, smaller conservancy districts may not have the available funds or administrative capacity to assume the costs of the Regular Local Election, which would affect the administration of the elections.

The Secretary of State (SOS) may need to provide input on districts' rulemaking processes should the bill pass.

The New Mexico Attorney General (NMAG) states that HB308's movement of candidacy declarations and elections up by approximately a month do not appear to justify the emergency clause, and may benefit for an effective date designation rather than an emergency designation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill conflicts with Senate Bill 218 (SB218), which seeks to collapse all municipalities under the RLE.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The SOS states that should HB308 not pass, SOS would be required to administer elections for conservancy districts like the Middle Rio Grande Conservancy District as part of the 2025 RLE. This would require voters to have a unique and separate process based on varying definitions of qualified elector that would occur simultaneously with existing processes for statewide elections, specifically for the Middle Rio Grande Conservancy District. SOS asserts that this “would demand a great amount of time and significant financial resources in order for implementation to proceed securely and timely.”

EH/rl/SL2