

**PUBLIC SCHOOL-RELATED LEGISLATION**  
**49<sup>TH</sup> LEGISLATURE, 2<sup>ND</sup> SPECIAL SESSION, 2010**

**HOUSE BILLS**

**\*H 1**            **FEED BILL (PASSED H/PASSED S)**, *Rep. W.K. Martinez* — appropriates funds from legislative cash balances to pay the expenses of the special session.

**H 2a**            **GENERAL APPROPRIATION ACT OF 2010 (PASSED H/PASSED S)**,  
*Rep. Saavedra* — makes appropriations and authorizes expenditures by state agencies in FY 11, including almost \$2.4 billion in recurring funds from the General Fund for Public School Support and related appropriations, providing more than \$2.2 billion to the State Equalization Guarantee (SEG); appropriates nearly \$119 million to categorical public school support, including more than \$98.0 million for transportation, almost \$15.2 million for the Instructional Material Fund, \$1.0 million for dual credit instructional materials, and \$2.0 million for the Indian Education Fund; appropriates nearly \$31.6 million in recurring appropriations, including \$14.8 million for regional education cooperatives that meet certain criteria, \$5.5 million each for New Mexico PreK and K-3 Plus, and \$712,000 for IDEAL-NM; sands, or reduces, these appropriations by 0.544 percent; among other provisions, appropriates \$6.0 million in nonrecurring funds in emergency support to school districts experiencing shortfalls and \$4.0 million in nonrecurring emergency supplemental support to small rural school districts that meet certain criteria; appropriates \$1.5 million from the federal Temporary Assistance to Needy Families to New Mexico PreK and \$1.0 million from the Public Pre-kindergarten Fund to New Mexico PreK; distributes \$15.0 million from the public safety and other government services allocation from the federal American Recovery and Reinvestment Act of 2009 to school districts and charter schools through the SEG; and grants the Governor the authority to reduce General Fund allotments to agencies, funds, and other recipients or to transfer funds to the General Fund under certain conditions, from either the Tax Stabilization Reserve or the Appropriation Contingency Fund dedicated to educational reforms.

**H 3**            **CIGARETTE TAX INCREASE & TRIBAL STAMP (PASSED H/PASSED S)**,  
**CS/H 3a**        *Rep. Chasey* — temporarily increases the cigarette tax by 75 cents per pack, effective July 1, 2010; among other temporary provisions effective July 1, 2010: changes the distribution rates of the receipts from the cigarette tax; adds a distribution of 5.11 percent to the Public Education Department and a distribution of 7.11 percent to the Children, Youth and Families Department, both for early childhood programs; and provides for a tribal tax credit and tax credit stamp for tribes that impose a tribal cigarette tax; and, effective July 1, 2014, restores the current language regarding the temporary provisions noted above.

**H 4**            **INCREASE LOW-INCOME COMPREHENSIVE TAX REBATE (PASSED H)**,  
*Rep. Sandoval* — amends the Income Tax Act to increase the low-income comprehensive tax rebate. (May affect public schools)

**H 5a**            **SEVERANCE TAX BOND PROJECTS (PASSED H/PASSED S)**, *Rep. Trujillo* — authorizes the issuance of severance tax bonds and expenditures from certain funds and balances, including projects at selected school districts.

- H 6  
CS/H 6      SUPPLEMENTAL SEVERANCE TAX BONDS (PASSED H), *Rep. Trujillo* — authorizes the issuance of severance tax bonds and supplemental severance tax bonds for the Medicaid program, for the State Equalization Guarantee, and for public school capital outlay projects, under certain conditions.
- H 7      CHARTER SCHOOL AUDITS & RENEWALS, *Rep. Rehm* — amends the Public School Finance Act to require all charter schools to submit their budgets and audits directly to the Public Education Department and to provide that a school district is not responsible for the audit of a charter school located within the district's boundaries, whether locally chartered or state-chartered; and adds a new section to the Charter Schools Act to require, after July 1, 2010, all charter schools to be chartered by the state and all charter renewals to be submitted to the Public Education Commission.

### HOUSE MEMORIALS

- HM 1      ALBUQUERQUE SCHOOLS JOB REVIEWS, *Rep. Rehm* — requests that Albuquerque Public Schools (APS) review job titles and job descriptions and perform desk audits on all general and school administrative positions to determine whether the job titles, classifications, and duties are accurate and appropriate and whether positions can be consolidated or eliminated for better efficiency and cost savings; that such cost-saving measures be implemented before the district considers eliminating teaching or direct student service positions; and that APS report its progress to the LESC.
- HM 2      STATE GOVERNMENT CORE FUNCTIONS, *Rep. Roch* — requests that the Legislative Finance Committee (LFC) study the core functions of state government, noting which functions are required by the state or federal constitution and which services are essential to the residents of New Mexico; that the recommendations consider a number of goals of state government, among them providing for an educated citizenry by ensuring that all children receive an equal opportunity to achieve academic success; and that the LFC present its recommendations to the first session of the 50<sup>th</sup> Legislature.

### SENATE BILLS

- \*S 1  
\*CS/S 1a      **2010 CAPITAL PROJECTS GO BOND ACT (PASSED S/PASSED H)**, *Sen. Cisneros* — creates the 2010 Capital Projects General Obligation Bond Act to authorize the issuance and sale of capital projects general obligation bonds for several purposes, including library acquisitions and capital improvements at public libraries, public school libraries, academic libraries, and tribal libraries and public school capital improvements, school books, instructional materials; and bus acquisitions; and requires that the bond questions be submitted to the voters in the 2010 general election.
- \*S 2a      **TEMPORARY TAX AMNESTY PROGRAM (PASSED S/PASSED H)**, *Sen. Feldman* — adds a temporary provision to statute to authorize the Secretary of Taxation and Revenue to declare an amnesty period of no more than 180 days in FY 10 and FY 11; and appropriates \$500,000 from the General Fund to the Taxation and Revenue Department for FY 10 through FY 12 to conduct the tax amnesty program. (May affect public schools)

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- S 3 GROSS RECEIPTS “FOOD” DEFINITION, *Sen. Feldman* — expands the definition of the term “food” for purposes of the gross receipts tax deduction on food to include food ingredients; defines the term “food and food ingredients”; and specifies that this term excludes alcoholic beverages, tobacco, candy, and soft drinks, which the bill also defines. (May affect public schools)
- S 4 CIGARETTE TAX INCREASE & TRIBAL STAMP, *Sen. Feldman* — changes the distribution rates of the receipts from the cigarette tax; provides for a qualifying tribal cigarette tax and for a tribal tax-credit stamp; defines related terms; and increases the cigarette tax by 75 cents per pack. (May affect public schools)
- S 5 LIQUOR EXCISE TAX RATE & DISTRIBUTION, *Sen. B. Sanchez* — changes the distribution of the liquor excise tax to include a portion to the Mental Health and Substance Abuse Treatment Fund, which the bill creates; and increases the liquor excise tax rates on the various kinds of liquors. (May affect public schools)
- S 6 HIGH-INCOME TAXPAYER SURTAX, *Sen. B. Sanchez* — imposes a surtax of 1.0 percent on high-income taxpayers with taxable incomes in excess of: \$80,000 for married individuals filing separate returns; \$160,000 for heads of households, surviving spouses, and married individuals filing joint returns; and \$100,000 for single individuals and for estates and trusts. (May affect public schools)
- \*S 7 INCREASE CIGARETTE TAX, *Sen. B. Sanchez* — changes the distribution rates of the receipts from the cigarette tax; and increases the cigarette tax by 50 cents per pack. (May affect public schools)
- S 8 GROSS RECEIPTS “FOOD” DEFINITION, *Sen. B. Sanchez* — amends the definition of the term “food” for the gross receipts tax deduction to include foods eligible for the Women, Infants and Children program, as well as white flour tortillas and fresh or frozen meat, poultry, and fish with no or minimal additional ingredients. (May affect public schools)
- S 9 COMBINED TAX REPORTING & DISTRIBUTIONS, *Sen. Wirth* — adds a new section to the Tax Administration Act to distribute to the Public School Fund 25 percent of the net receipts from the corporate income tax for tax years beginning on or after January 1, 2011; and provides for combined reporting by certain unitary corporations.
- S 10 **INCREASE LOW-INCOME COMPREHENSIVE TAX REBATE (PASSED S/**  
CS/S 10 **PASSED H)**, *Sen. Cisneros* — amends statute to increase the low-income comprehensive tax rebate, to increase the gross receipts tax by 0.125 percent, to include a local option food tax of 2.0 percent and to allow county and municipal governments to eliminate the food tax, to include as state taxable income certain amounts paid as state or local taxes and deducted from federal income tax, and to increase the number of out-of-state businesses that are subject to the compensating tax. (May affect public schools) (CS/S 10, 12 & 13)
- S 11 FOOD TAX DISTRIBUTION & INCOME TAX REBATE, *Sen. E. Griego* — repeals the gross receipts tax (GRT) deduction for receipts from the sale of food; eliminates distributions to municipalities and counties based on the GRT deduction for receipts from

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the sale of food; and adds a new section to the Income Tax Act to allow a rebate for a portion of the GRT on food purchases. (May affect public schools)

- S 12      **FOOD TAX, GROSS RECEIPTS & DISTRIBUTIONS**, *Sen. Cisneros* — repeals the gross receipts tax (GRT) deduction for receipts from the sale of food; alters certain distributions to counties and municipalities; and increases the GRT by 0.25 percent, among other provisions. (May affect public schools) (Succeeding entries: S 10)
- S 13      **FEDERAL DEDUCTIONS AS STATE TAXABLE INCOME**, *Sen. Ortiz y Pino* — amends the Income Tax Act to include as state taxable income certain amounts paid as state or local taxes and deducted from federal income tax. (May affect public schools) (Succeeding entries: S 10)
- \*S 14      **FILM PRODUCTION TAX CREDIT CAP**, *Sen. Smith* — amends statute to place an annual cap on film production tax credits in the aggregate amount of \$40.0 million, divided into semiannual increments of \$20.0 million; and to require the Taxation and Revenue Department to prorate the credits if the applications in any six-month period exceed the \$20.0 million limit.
- S 15      **INCOME TAX SURTAX & DISTRIBUTION**, *Sen. E. Griego* — adds a new section and amends statute to create a graduated surtax for higher levels of taxable income for taxable years 2010 through 2012; allocates 6.65 percent of receipts from personal income tax to the Public School Fund and another 6.65 percent to the state Medicaid Program; and prohibits any balance in the Public School Fund from reverting to the General Fund.
- S 17      **PHASE OUT FOOD TAX DEDUCTION**, *Sen. Smith* — amends statute to phase out the gross receipts tax deduction for the sale of food at the rate of 20 percent each year, beginning on or after July 1, 2010.

**SENATE MEMORIAL**

- SM 1      **PRIORITIZE, REVIEW & MONITOR CAPITAL OUTLAY**, *Sen. Campos* — requests that the Legislative Finance Committee, the Department of Finance and Administration, the New Mexico Municipal League, the New Mexico Association of Counties, the All Indian Pueblo Council, the Navajo Nation, and the Legislative Council Service collaborate on a process to prioritize, review, and monitor capital outlay projects; that these entities establish a capital outlay planning and review committee; and that this committee make recommendations to the appropriate interim committee by January 1, 2011. (May affect public schools)