

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

**BILL NUMBER:** House Joint Resolution 5/aHGEIC

**SHORT TITLE:** Legislative Compensation, CA

**SPONSOR:** Reps. Parajon, Rubio, Abeyta/Sens. Nava, Charley

**LAST ORIGINAL**  
**UPDATE:** 2/16/2026 **DATE:** 1/21/2026 **ANALYST:** Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY27	FY28	FY29 (last half)	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Legislative Council Service (if HR5 is ratified)		No fiscal impact	\$3,800.0	\$3,800.0	Recurring	General Fund
Secretary of State (to put to voters)	\$35.0	No fiscal impact	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

#### Agency or Agencies Providing Analysis

New Mexico Attorney General

Secretary of State

## SUMMARY

### Synopsis of HGEIC Amendment

The House Government, Elections & Indian Affairs Committee amendment to House Joint Resolution 5 addresses concerns from the New Mexico Attorney General and inserts language to say that the resolution, if passed, will need to be on the ballot at the next general election (November 2026) or at a special election prior to that date that may may be called for that purpose.

The HGEIC amendment keeps the effective language to be entitled to receive pay tied to members seated and sworn in for the Fifty-Ninth Legislature. The funding for legislative compensation should be in place when FY29 starts, to cover the second half of the FY29 period.

### Synopsis of House Joint Resolution 5

House Joint Resolution 5 (HJR5), with voter approval, 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

## House Joint Resolution 5/aHGEIC – Page 2

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 the per diem and mileage allowance in addition to compensation.

The provisions of this new section would be effective, if approved by voters, beginning with members seated and sworn in for the Fifty-Ninth Legislature.

The joint resolution provides the amendment be put before the voters at the next general election (November 2026) or a special election called for the purpose of considering the amendment. The amendment would only be effective if approved by voters.

## FISCAL IMPLICATIONS

If approved by voters, based on 112 legislators and a median household income of about \$67.8 thousand, the cost to the general fund on an annual basis could 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 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, young 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.

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. After adjusting for inflation, 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 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 could be based on salaries, to perhaps make their retirement plan more consistent with that for other employees.

## PERFORMANCE IMPLICATIONS

In its analysis of the original bill, the New Mexico Attorney General (NMAG) advised:

HJR5 Section 2 states that the proposed amendment shall be submitted to the people for their approval at the 2028 general election.” This proposed section may violate the Constitution of New Mexico, which requires constitutional amendments to be voted upon at the next regular election or at a special election within six months after adjournment of the legislative session. (See Article XIX, Section 1.) If the Legislature approves HJR5, it may need to be on the ballot for either the next regular election on November 3, 2026, or within six months after the adjournment of the 2026 legislative session, no later than August 20, 2026.

## 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 nonsalary 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 on legislative compensation, which is contingent on passing HJR5. That bill further clarifies that compensation is adjusted every four years, legislators may refuse compensation, legislators are not state employees, and the effective date is January 16, 2029.

## TECHNICAL ISSUES

NMAG comments further:

It may be intentional or inadvertent, but the resolution proposes an income for a single legislator to match the annual median household income. This is not an unreasonable figure and may have been intentional. If inadvertent, however, an amendment to propose an income for a single legislator to match the annual median income for individuals or professionals or some other designation may be appropriate.

## 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>

AHO/ct/dw/ct/sgs/hg/sgs/cf