

Governor signs bills on tax breaks, redistricting

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Gov. Michelle Lujan Grisham on Tuesday signed into law 50 bills passed by New Mexico lawmakers during the legislative session that ended March 20. Much of this year's session was conducted remotely due to the COVID-19 pandemic, as shown in this January file photo of a House floor session. (Eddie Moore/Journal)

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SANTA FE – With a bill signing deadline nearing, Gov. Michelle Lujan Grisham on Tuesday approved measures expanding two tax breaks for low-income New Mexico workers and overhauling the once-a-decade task of redistricting.

The two bills were among 50 measures signed into law by the governor, who has until Friday to act on most bills approved by lawmakers during the 60-day legislative session that ended March 20.

Specifically, Lujan Grisham hailed the significance of the tax policy changes in a state with one of the nation's highest poverty rates.

“We know these programs are among the most effective anti-poverty efforts we have,” the governor said in a statement. “Expanding them means we can lift more families out of poverty and strengthen the safety net for the most vulnerable people in our community.”

Under the just-signed legislation, House Bill 291, the maximum rebate for one of the two tax breaks will now rise to \$730 per year, depending on family size and income levels, up from \$450 under current law.

About 550,000 New Mexico taxpayers will be affected by the changes to the Low Income Comprehensive Tax Rebate and the Working Families Tax Credit – or about 55% of the total number of state personal income tax filers, according to the Taxation and Revenue Department.

Some of those who benefit will get larger tax breaks, while others will become eligible to claim them for the first time under changes approved by the Legislature.

That includes about 42,000 New Mexicans ages 18 to 24 who were previously not eligible for the Working Families Tax Credit, along with roughly 10,000 immigrant workers who are not U.S. citizens.

Taxation and Revenue Secretary Stephanie Schardin Clarke said the expanded tax credits could reduce the strain on social service programs and lead to more money going back into New Mexico’s economy.

“This money is really well-targeted to help people put food on their tables and pay rent,” she told the Journal, adding that the changes would take effect this year but will not show up until New Mexicans file their income tax returns in 2022.

However, the more generous tax credits are projected to cost the state an estimated \$100 million annually by the 2024 fiscal year, according to a fiscal analysis of the bill.

That’s because tax changes that would have generated more money for the state’s coffers – including a new, top personal income tax bracket for the state’s highest-earning individuals – were stripped out of the bill by a Senate committee.

Redistricting panel

The redistricting legislation, Senate Bill 304, will establish a seven-member committee to propose three maps for New Mexico’s congressional and legislative districts. The group will also produce written evaluations of each of the proposals, outlining how they preserve communities of interest and meet other criteria.

Lawmakers, however, will retain power to pick one of the maps or amend them as they see fit – authority granted by the state Constitution for any legislative proposal.

The seven-member Citizen Redistricting Committee, nevertheless, is designed to limit the political influence over the crafting of the maps that lawmakers start with when redrawing political boundary lines, which occurs once every 10 years based on census data.

No more than three members of the committee can be from the same political party, and at least two must be independent, Libertarian or members of a minor political party.

A retired appeals court judge or Supreme Court justice will lead the committee.

The group cannot rely on partisan or party-registration data as it carries out its work. It can consider the addresses of incumbents only to avoid pairing them in one district while weighing other criteria, too.

Dede Feldman, a retired Democratic state senator who participated in two rounds of redistricting, described the final legislation as a compromise.

“I think this is a real good move – a solid move in the right direction,” she said Tuesday.

The nonpartisan nature of the committee, Feldman said, will give it strong standing among the public and the courts, if litigation arises. But the group should ultimately be judged, she said, by the quality of the maps it produces – whether they reduce gerrymandering, keep communities of interest together and protect the strength of minority voters.

Forty bills await action

Lujan Grisham has now acted on 118 bills passed by lawmakers during this year’s regular session – she has signed 117 of them and vetoed one bill dealing with fees for water testing.

The 40 bills still awaiting action include high-profile proposals to require businesses to provide paid sick leave to their employees, allow civil rights deprivation lawsuits to be filed in state court and authorize adults with terminal medical conditions to take medication to end their own lives.

In addition, a \$7.4 billion budget bill and a \$518 million capital outlay package are also awaiting approval on the governor’s desk.

Per the state Constitution, the governor has 20 days to act on bills passed during the final three days of a legislative session. Any bills that are not signed during that period are automatically vetoed.

Lujan Grisham has more time – until April 20 – to sign a cannabis legalization bill and other measures passed during a two-day special session last week.

At a glance

For the second day in a row, Gov. Michelle Lujan Grisham on Tuesday signed a bevy of bills. Here are some of them:

- House Bill 68 – Expanding the Space Flight Informed Consent Act.
 - House Bill 76 – Allowing denial of air-quality permits to companies convicted of environmental crimes in other states.
 - House Bill 128 – Imposing new reporting requirements for misconduct by school personnel.
 - House Bill 231 – Protecting polling locations on Native American land.
 - House Bill 270 – Permitting the testing of self-driving vehicles on New Mexico roads.
 - Senate Bill 219 – Removing citizenship or legal residency requirements for certain occupational licenses.
 - Senate Bill 223 – Authorizing \$22 million in cigarette tax revenue bonds to expand the Comprehensive Cancer Center at the University of New Mexico.
- For a list of all bills signed and vetoed, go to: www.sos.state.nm.us/legislation-and-lobbying/signed-chaptered-bills/