

# CHAPTER 10

## Public Officers and Employees

### ARTICLE 1

#### Qualifications

##### **10-1-1. [Ineligibility for recess appointment after rejection by senate.]**

No person, whose nomination or appointment to any office in the state shall have been rejected by the senate, shall be eligible to hold office under recess appointment.

**History:** Laws 1915, ch. 61, § 1; C.S. 1929, § 96-138; 1941 Comp., § 10-101; 1953 Comp., § 5-1-1.

#### ANNOTATIONS

**Cross references.** — For constitutional provision relating to qualifications to hold office, see N.M. Const., art. VII, § 2.

For employment of handicapped persons, policy of the state, see 28-10-11 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 16 to 19.

##### **10-1-2. [Person convicted of crime; ineligibility for office; exception.]**

That no person convicted of a felonious or infamous crime, unless such person has been pardoned or restored to political rights, shall be qualified to be elected or appointed to any public office in this state.

**History:** Laws 1912, ch. 44, § 1; Code 1915, § 3951; C.S. 1929, § 96-102; 1941 Comp., § 10-102; 1953 Comp., § 5-1-2.

#### ANNOTATIONS

**Cross references.** — For the Criminal Offender Employment Act, see 28-2-1 NMSA 1978.

For disqualification for bribery, see 30-24-2 NMSA 1978.

**Felony convictions occurring during term of office.** — A felony conviction that occurs during the term of an elective office disqualifies the elected official from continuing to hold that office effective upon entry of a judgment of conviction. *State ex rel. King v. Sloan*, 2011-NMSC-020, 149 N.M. 620, 253 P.3d 33.

**Restoration of citizenship rights.** — A convicted felon who was elected to the position of county commissioner became eligible to hold that office when, prior to taking the oath of office, she applied for and received a certificate of restoration of full rights of citizenship from the governor. *Lopez v. Kase*, 1999-NMSC-011, 126 N.M. 733, 975 P.2d 346.

**Effect of appeal pending.** — Person who committed felony by assaulting a federal officer was ineligible to run for governor where although a jury rendered a guilty verdict, the person was appealing the judgment. A judgment on a verdict of a guilty is a conviction, and the fact that an appeal is pending does not alter that interpretation. 1968 Op. Att'y Gen. No. 68-98.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 48 to 50.

Validity of governmental requirement of oath of allegiance or loyalty, 18 A.L.R.2d 268.

Conviction of offense under federal law or law of another state or country as vacating accused's holding of state or local office, 20 A.L.R.2d 732.

Legislative power to prescribe qualifications for or conditions of eligibility to constitutional office, 34 A.L.R.2d 155, 90 A.L.R.3d 900.

What is an infamous crime or one involving moral turpitude constituting disqualification to hold public office, 52 A.L.R.2d 1314.

Previous tenure of office, construction and effect of constitutional or statutory provisions disqualifying one for public office because of, 59 A.L.R.2d 716.

Effect of conviction in federal court, or court of another state or country, on right to hold public office, 39 A.L.R.3d 303.

Misconduct: removal of public officer for misconduct during previous term, 42 A.L.R.3d 691.

Pardon as restoring eligibility to public office, 58 A.L.R.3d 1191.

What constitutes conviction within statutory or constitutional provision making conviction of crime ground of disqualification for, removal from, or vacancy in, public office, 10 A.L.R.5th 139.

Validity under federal constitution of regulations, rules, or statutes requiring random or mass drug testing of public employees or persons whose employment is regulated by state, local, or federal government, 86 A.L.R. Fed. 420.

67 C.J.S. Officers and Public Employees § 22.

### **10-1-3. [Deputies and assistants convicted of crimes; penalty for appointment or retention.]**

It shall be unlawful for any state, county, district, or municipal officer to appoint, employ, or retain as a deputy or assistant any person convicted of a felonious or infamous crime, unless such person has been pardoned or restored to political rights; and any public officer who shall knowingly violate the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction shall be punished by fine of not less than one hundred dollars [(\$100)] nor more than five hundred dollars [(\$500)] and, in addition to such punishment, shall be removed from office in accordance with the provisions of this chapter.

**History:** Laws 1912, ch. 44, § 2; Code 1915, § 3952; C.S. 1929, § 96-103; 1941 Comp., § 10-103; 1953 Comp., § 5-1-3.

#### **ANNOTATIONS**

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Cross references.** — For persons convicted of crime ineligible for office, see 10-1-2 NMSA 1978.

**"Public officer" and "state officer" are synonyms.** 1966 Op. Att'y Gen. No. 66-114.

**Employment in position other than deputy or assistant.** — It would appear that the employment by the commission or the chief highway engineer of a person (convicted of a felonious crime) in any position other than as deputy or assistant to the commission or the chief highway engineer would not violate the statute. 1954 Op. Att'y Gen. No. 54-5952.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Conviction of offense under federal law or law of another state or country as vacating accused's holding of state or local office, 20 A.L.R.2d 732.

Effect of conviction in federal court, or court of another state or country, on right to hold public office, 39 A.L.R.3d 303.

Pardon as restoring eligibility to public office, 58 A.L.R.3d 1191.

67 C.J.S. Officers and Public Employees §§ 22, 35.

#### **10-1-4. [Women eligible for appointment.]**

Women may hold any appointive office in the state of New Mexico.

**History:** Laws 1913, ch. 60, § 1; Code 1915, § 3953; C.S. 1929, § 96-104; 1941 Comp., § 10-104; 1953 Comp., § 5-1-4.

#### **ANNOTATIONS**

**Cross references.** — For eligibility of women to any public office, see N.M. Const., art. VII, § 2.

For women as public officers, see N.M. Const., art. XX, § 11.

**Assistant commissioner of public lands.** — Under this section and N.M. Const., art. XX, § 11, a woman may hold the appointive office of assistant commissioner of public lands. 1920 Op. Att'y Gen. No. 20-2752.

**A woman can hold the office of school director.** 1912 Op. Att'y Gen. No. 12-934.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Construction and application of provisions of Equal Pay Act of 1963 (29 U.S.C. § 206(d)) prohibiting wage discrimination on basis of sex, 7 A.L.R. Fed. 707.

Construction and application of provisions of Title VII of 1964 Civil Rights Act making sex discrimination in employment unlawful, 12 A.L.R. Fed. 15, 27 A.L.R. Fed. 274, 27 A.L.R. Fed. 537, 34 A.L.R. Fed. 648, 35 A.L.R. Fed. 15, 62 A.L.R. Fed. 33, 110 A.L.R. Fed. 28, 116 A.L.R. Fed. 1, 123 A.L.R. Fed. 1

What constitutes "establishment" for purposes of § 6(d)(1) of Equal Pay Act (29 USCS § 206(d)(1)), prohibiting wage discrimination within establishment based on sex, 124 A.L.R. Fed. 159.

What constitutes termination of employee due to pregnancy in violation of Pregnancy Discrimination Act amendment to Title VII of Civil Rights Act of 1964 (42 USCS § 2000e(k)), 130 A.L.R. Fed. 473.

67 C.J.S. Officers and Public Employees § 20.

## **10-1-5. Repealed.**

### **ANNOTATIONS**

**Repeals.** — Laws 1979, ch. 54, § 1, repealed 10-1-5 NMSA 1978, relating to residence requirement for public employees and percentage of residents on public works projects.

## **10-1-6. [Affidavits of residence; prima facie value as evidence.]**

Any person whose duty it is to engage or hire employees mentioned in Section 1 of this act may require any person applying for such employment to file an affidavit with such person, stating his name and residence and that he has been a bona fide resident of the state of New Mexico for a period of one year next previous to the date of application for such employment. In all prosecutions against any persons for violation of the provisions of this act [10-1-6 to 10-1-9 NMSA 1978], such affidavits shall be received in evidence as prima facie proof of the truth of the statements therein contained.

**History:** Laws 1933, ch. 68, § 2; 1941 Comp., § 10-106; 1953 Comp., § 5-1-6.

### **ANNOTATIONS**

**Compiler's notes.** — "Section 1 of this act," referred to near the beginning of the first sentence, means Laws 1933, ch. 68, § 1, which appeared as 10-1-5 NMSA 1978, but was repealed by Laws 1979, ch. 54, § 1.

**Application to construction project.** — This section, when read together with the provisions of 10-1-7 and 10-1-8 NMSA 1978, has specific application to the construction of the public works project contemplated by the interstate streams commission (the Ute dam), and would have to be considered by the commission in the carrying out of the construction work. 1962 Op. Att'y Gen. No. 62-80.

**When production of affidavits required.** — Under 6-2-1 NMSA 1978, the heads of departments may be compelled to produce the affidavit required under this section before making payment to any person or persons employed who have not been residents of New Mexico for one year prior to their employment as state employees. 1951 Op. Att'y Gen. No. 51-5388.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Validity, construction, and application of enactments relating to requirement of residency within or near specified governmental unit as condition of continued employment for policemen or firemen, 4 A.L.R.4th 380.

67 C.J.S. Officers and Public Employees § 26; 81A C.J.S. States § 83.

## **10-1-7. [Provisions of employment contracts.]**

Every written contract entered into by the state of New Mexico and all political subdivisions thereof, including all of the departments, bureaus, boards, commissions or institutions of said state and all of its political subdivisions, involving the employment of persons mentioned in Section 1 of this act shall contain such provisions relating to employment as comply with the provisions of this act.

**History:** Laws 1933, ch. 68, § 3; 1941 Comp., § 10-107; 1953 Comp., § 5-1-7.

### **ANNOTATIONS**

**Compiler's notes.** — "Section 1 of this act," referred to near the beginning of the first sentence, means Laws 1933, ch. 68, § 1, which appeared as 10-1-5 NMSA 1978, but was repealed by Laws 1979, ch. 54, § 1.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 26; 81A C.J.S. States § 83.

#### **10-1-8. [Failure to employ residents; penalties.]**

Any person, firm, corporation or association having charge of or control over the employment of persons mentioned in Section 1 of this act, who shall willfully refuse to comply with the provisions of said Section 1, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than \$100 nor more than \$300 or by imprisonment in the county jail not to exceed ninety days or both such fine and imprisonment, in the discretion of the court.

**History:** Laws 1933, ch. 68, § 4; 1941 Comp., § 10-108; 1953 Comp., § 5-1-8.

### **ANNOTATIONS**

**Compiler's notes.** — "Section 1 of this act," referred to near the beginning of the first sentence, means Laws 1933, ch. 68, § 1, which appeared as 10-1-5 NMSA 1978, but was repealed by Laws 1979, ch. 54, § 1.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 26; 81A C.J.S. States § 83.

#### **10-1-9. [False affidavit to obtain employment; penalty.]**

Any applicant for employment mentioned in Section 1 thereof, who shall willfully file any false affidavit for the purpose of obtaining employment shall be deemed guilty of a misdemeanor and upon conviction shall be subject to the penalties mentioned in Section 4 [10-1-8 NMSA 1978] hereof.

**History:** Laws 1933, ch. 68, § 5; 1941 Comp., § 10-109; 1953 Comp., § 5-1-9.

## ANNOTATIONS

**Compiler's notes.** — "Section 1 thereof," referred to near the beginning of the section, means Laws 1933, ch. 68, § 1, which appeared as 10-1-5 NMSA 1978, but was repealed by Laws 1979, ch. 54, § 1.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 26; 81A C.J.S. States § 83.

### **10-1-10. [Nepotism prohibited; exceptions.]**

It shall hereafter be unlawful for any person elected or appointed to any public office or position under the laws of this state or by virtue of any ordinance of any municipality thereof, to employ as clerk, deputy or assistant, in such office or position, whose compensation is to be paid out of public funds, any persons related by consanguinity or affinity within the third degree to the person giving such employment, unless such employment shall first be approved by the officer, board, council or commission, whose duty it is to approve the bond of the person giving such employment; provided, that this act [10-1-10, 10-1-11 NMSA 1978] shall not apply where the compensation of such clerk, deputy or assistant shall be at the rate of \$600 or less a year, nor shall it apply to persons employed as teachers in the public schools.

**History:** Laws 1925, ch. 50, § 1; C.S. 1929, § 96-136; 1941 Comp., § 10-110; 1953 Comp., § 5-1-10.

## ANNOTATIONS

**Election of teacher's relative to school board.** — The rule that statutes in pari materia should, as far as reasonably possible, be construed consistently supports, by reference to this section and Section 29-2-6 NMSA 1978, the conclusion that Section 22-5-6 NMSA 1978 was intended only to apply to the initial hiring of teachers and does not affect the retention of teachers when a relative within the prohibited degree of consanguinity is elected to the school board. *N.M. State Bd. of Educ. v. Board of Educ.*, 1981-NMSC-031, 95 N.M. 588, 624 P.2d 530.

**Deputy county assessor.** — When salary exceeds \$600 per year, appointment of a deputy county assessor without approval of the board of county commissioners is void. *State ex rel. Sanchez v. Stapleton*, 1944-NMSC-056, 48 N.M. 463, 152 P.2d 877.

**Constitutionality.** — This law is not unconstitutional by reason of the fact that the title merely states "An act relating to nepotism." 1938 Op. Att'y Gen. No. 38-2030.

**Legislative intent.** — The legislature intended by this section to apply the civil law rule for determining the degree of relationship and under this method of computation a cousin is not within the third degree, so that a public officer may employ his cousin as a deputy or assistant. 1947 Op. Att'y Gen. No. 47-5040.

**Statute normally construed strictly.** — Anti-nepotism statutes, being penal in nature, are normally strictly construed. However, no statute may be construed so as to defeat the obvious intent of the legislature. 1982 Op. Att'y Gen. No. 82-08.

**Section inapplicable where person hired before relative's election.** — This section would not apply to a person employed prior to his relative's election to the hiring authority. 1982 Op. Att'y Gen. No. 82-08.

**Brothers are related within the second degree of consanguinity.** 1982 Op. Att'y Gen. No. 82-08.

**Employment where members of family on school district board.** — This section does not prohibit employment of a person in a nonteaching, supervisory capacity, although members of his immediate family serve on the board of the school district. 1957 Op. Att'y Gen. No. 57-201.

**When teacher's spouse on school board.** — There is no prohibition against the spouse of a schoolteacher being a member of the school board, but in order to prevent any possible conflict of interest, such school board member should not vote on any issue which affects his or her spouse individually as opposed to affecting all the teachers in the system as a group. 1964 Op. Att'y Gen. No. 64-71.

**When husband and wife hired.** — The New Mexico state racing commission may hire a husband and wife to carry on the duties of the racing commission so long as no such employee is related to the commissioner within the degree of consanguinity prohibited by this section. 1951 Op. Att'y Gen. No. 51-5424.

**County commissioner's daughter in county department.** — The laws on nepotism do not prohibit the employment of a daughter of county commissioner as a stenographer in the county health department of the county where the commissioner serves. 1957 Op. Att'y Gen. No. 57-224.

**Sheriff's relative as deputy sheriff.** — This statute would come into play should a sheriff employ as his guard the regularly employed deputy sheriff since a deputy sheriff would fall within the statutory definition of "deputy or assistant." If such a deputy were related to the sheriff within the prohibited degree it would be a violation of the law. A person temporarily employed as a guard might still be considered an assistant as defined by the statute. However, in the event of temporary employment, it is almost certain that the compensation paid to each assistant would be less than \$600 a year, in which case, the prohibition would not apply. Compensation as used here is synonymous with salary and does not include traveling or other incidental expenses usually called per diem. 1961 Op. Att'y Gen. No. 61-09.

**Section is not applicable to hiring of state police personnel,** but Section 29-2-6 NMSA 1978, pertaining specifically to the state police, is instead controlling. 1963 Op. Att'y Gen. No. 63-114.



**Prohibited appointments may be approved.** — Appointments within the prohibited degree may yet be made if such appointments are approved by a board or officer whose duty it is to approve the bond of the person making the appointment. 1949 Op. Att'y Gen. No. 49-5247.

**Approval of district judge's employee.** — As district judges are not bonded, there is no entity from which approval of otherwise prohibited employment by the district judge may be obtained. 1979 Op. Att'y Gen. No. 79-25.

**Employment by district judge of his step-daughter, as his secretary, is unlawful.** 1979 Op. Att'y Gen. No. 79-25.

**Municipality's council member is "elected public official".** — A member of the governing body of a municipality is an "elected public officer" for purposes of the statutory prohibition against nepotism. 1982 Op. Att'y Gen. No. 82-08.

**Brother of council member employable where council member abstains from voting.** — The brother of a member of the governing body of a mayor-council municipality may be employed as an assistant municipal clerk if the council member abstains from voting to approve his brother's employment. 1982 Op. Att'y Gen. No. 82-08.

**Assistant clerk of a municipality serves as "clerk"** to the governing body for purposes of the statutory prohibition against nepotism. 1982 Op. Att'y Gen. No. 82-08.

**Court reporter not clerk, deputy, etc.** — An official court reporter is not a clerk, deputy or assistant as those terms are used in this section. 1976 Op. Att'y Gen. No. 76-35.

**Janitor is not clerk, etc.** — Since a janitor would be neither clerk, deputy or assistant to the employing authority, employment of the wife of one of the school board members by the board would not be prohibited by this section. 1952 Op. Att'y Gen. No. 52-5484.

**Levelman is not clerk, etc.** — This position of a "levelman" in the highway department is not such as would be included within the terminology of "clerk, deputy, or assistant" so as to be within that class of employment from which an officer is prohibited from naming any person related by consanguinity or affinity within the third degree. 1951 Op. Att'y Gen. No. 51-5448.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Validity, construction, and effect of state constitutional or statutory provision regarding nepotism in the public service, 11 A.L.R.4th 826.

67 C.J.S. Officers and Public Employees § 23.

**10-1-11. [Payment of nepotic employees; liability of employer and bondsmen; employment void.]**

No person so unlawfully employed shall be paid or receive any compensation from public funds, and such employment shall be null and void, and the person or persons giving such employment, together with his or their bondsmen, shall be liable for any and all monies so unlawfully paid out.

**History:** Laws 1925, ch. 50, § 2; C.S. 1929, § 96-137; 1941 Comp., § 10-111; 1953 Comp., § 5-1-11.

### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 23.

### **10-1-12. [Employment of persons advocating sabotage, sedition or treason prohibited; discharge of such persons already employed.]**

No person shall be knowingly employed by any state department, office, board, commission or bureau, county, municipality or other political subdivision, board of education or school board, who either directly or indirectly carries on, advocates, teaches, justifies, aids or abets a program of sabotage, force and violence, sedition or treason against the government of the United States or of this state.

When it becomes reasonably apparent to his appointing power that any employee has committed any of the acts hereinabove described it shall be the duty [duty] of such employer to refer the data and information available to him to the district attorney of the judicial district wherein such employee resides, and it shall thereupon become the mandatory duty of the district attorney to institute a proceeding in the district court to determine whether the employee has violated this act [section]. If such court determines that this act has been violated, such employee shall be immediately discharged and shall not be again employed in any capacity by any state department, office, board, commission, or bureau, county, municipality, or other political subdivision, board of education, or school board.

No part of any money appropriated from the state treasury shall ever be expended to compensate any person whose employment is forbidden by this section.

**History:** Laws 1949, ch. 45, § 1; 1941 Comp., § 10-112; 1953 Comp., § 5-1-12.

### ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Cross references.** — For public policy regarding communism, see 12-4-1 to 12-4-3 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 48, 241.

Oath of allegiance or loyalty: validity of governmental requirement of, 18 A.L.R.2d 268.

Self-incrimination: right of witness to refuse to answer, on the ground of self-incrimination, as to membership in or connection with party, society, or similar organization or group, 19 A.L.R.2d 388.

Schoolteacher, dismissal or rejection of because of disloyalty, 27 A.L.R.2d 487.

Defamatory nature of statements reflecting on plaintiff's religious beliefs, standing, or activities, 33 A.L.R.2d 1196.

Libel and slander: public officer's privilege as to statements made in connection with hiring and discharge, 26 A.L.R.3d 492.

Libel and slander: public officer's privilege in connection with accusation that another has been guilty of sedition, subversion, espionage, or similar behavior, 33 A.L.R.3d 1330.

Imputation of allegedly objectionable political or social beliefs or principles as defamation, 62 A.L.R.4th 314.

What constitutes conviction within statutory or constitutional provision making conviction of crime ground of disqualification for, removal from, or vacancy in, public office, 10 A.L.R.5th 139.

67 C.J.S. Officers and Public Employees §§ 22, 120, 121, 125.

### **10-1-13. County officers; oath; bond.**

A. As used in this section, "county officer" means county commissioner, county assessor, county clerk, county sheriff, county treasurer, probate judge, county flood commissioner and small claims court clerk.

B. Before assuming the duties of office, each county officer shall take and subscribe the oath of office prescribed by the constitution of New Mexico and give an official bond payable to the state and conditioned for the faithful performance of duties, during the county officer's term of office and until a successor is elected or appointed and is qualified, and that the county officer shall pay all money received in the county officer's official capacity to the person entitled to receive it. The bond shall be executed by a corporate surety company authorized to do business in this state. The amount of the bond required shall be fixed by the board of county commissioners in a sum equal to twenty percent of the public money handled by the county officer during the preceding fiscal year but not to exceed:

county commissioner	\$ 5,000
county assessor	5,000
county clerk	10,000
county sheriff	20,000
county treasurer	50,000
probate judge	5,000
county flood commissioner	10,000
small claims court clerk	10,000.

C. Each county officer shall appoint a deputy or clerk, as allowed by law, who shall take the oath of office required of the appointing county officer and shall receive salary as provided by law. In case of the death of the appointing county officer, the deputy shall continue in office and perform the duties of the county officer until a new county officer is appointed and qualified as required by law.

D. The cost of official bonds for county officers shall be paid from the county general fund, and the board of county commissioners may elect to provide a schedule or blanket corporate surety bond covering county officers and employees for any period of time not exceeding four years.

E. If any county officer fails to give bond by January 10 following the county officer's election or within ten days of appointment, the board of county commissioners shall declare the office vacant.

**History:** 1953 Comp., § 5-1-13, enacted by Laws 1967, ch. 238, § 1; 2011, ch. 56, § 25.

### ANNOTATIONS

**The 2011 amendment**, effective December 31, 2012, removed the office of county surveyor from the list of county officers.

**Appointment to fill county office vacancy.** — A vacancy in a county office may occur where a successor in an office fails to qualify. The board of county commissioners must appoint a person to fill the vacancy and an incumbent who has already served two consecutive terms is ineligible for that appointment. 1979 Op. Att'y Gen. No. 79-19.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 45 to 48.

## ARTICLE 2

### Bonds

#### 10-2-1. [Sureties on bonds; qualifications.]

No bond of any public officer of this state executed by any individual, or firm as surety, shall be accepted or approved unless the persons or firm executing the same shall be the owners of unencumbered real estate or personal property in this state to an amount equal to the amount for which they respectively qualify on such bonds.

**History:** Laws 1909, ch. 122, § 2; Code 1915, § 511; C.S. 1929, § 17-107; 1941 Comp., § 10-201; 1953 Comp., § 5-2-1.

## ANNOTATIONS

**Cross references.** — For amount of bonds of state, county, and municipal treasurers, see 6-10-38 NMSA 1978.

For supreme court law library, librarian, bond, see 18-1-8 NMSA 1978.

For commissioner of public lands, bond, see 19-1-4 NMSA 1978.

For corporation as surety on bond, see 46-6-1 NMSA 1978.

**Elements of public office.** — Five elements are indispensable in any position of public employment, in order to make it a public office of a civil nature: (1) It must be created by the constitution or by the legislature or created by a municipality or other body through authority conferred by the legislature; (2) it must possess a delegation of a portion of the sovereign power of government, to be exercised for the benefit of the public; (3) the powers conferred, and the duties to be discharged, must be defined, directly or impliedly, by the legislature or through legislative authority; (4) the duties must be performed independently and without control of a superior power, other than the law, unless they be those of an inferior or subordinate office, created or authorized by the legislature, and by it placed under the general control of a superior officer or body; (5) it must have some permanency and continuity, and not be only temporary or occasional. In addition, in this state, an officer must take and file an official oath, hold a commission or other written authority, and give an official bond, if the latter be required by proper authority. 1956 Op. Att'y Gen. No. 56-6396.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 487 to 566.

67 C.J.S. Officers and Public Employees § 47.

### **10-2-2. [County or district officer not to be surety for another official.]**

No county or district officer shall be in future surety on the official bond of another county officer, and no such officer who shall be required to give bond shall be considered as qualified, if any other of the officers above mentioned shall give such bond.

**History:** Laws 1882, ch. 34, § 1; C.L. 1884, § 501; C.L. 1897, § 843; Code 1915, § 512; C.S. 1929, § 17-108; 1941 Comp., § 10-202; 1953 Comp., § 5-2-2.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 47.

### **10-2-3. [State and county officers prohibited from being sureties.]**

It shall be unlawful for any state or county officer who is required by law to give official bonds to sign any bond or become surety for any other person or persons during the term for which he is required to give official bonds for himself.

**History:** Laws 1903, ch. 57, § 1; Code 1915, § 513; C.S. 1929, § 17-109; 1941 Comp., § 10-203; 1953 Comp., § 5-2-3.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 47.

### **10-2-4. [Public officer becoming surety; misdemeanor in office.]**

Any violation of the preceding section [10-2-3 NMSA 1978] shall constitute a misdemeanor in office.

**History:** Laws 1903, ch. 57, § 2; 1905, ch. 85, § 1; Code 1915, § 514; C.S. 1929, § 17-110; 1941 Comp., § 10-204; 1953 Comp., § 5-2-4.

#### **ANNOTATIONS**

**Compiler's notes.** — The compilers of the 1915 Code substituted "preceding section" for "provisions of this act" and omitted a provision subjecting the offender to summary removal from office by the governor.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 47.

### **10-2-5. [Recording of bonds required.]**

The bonds given by all persons elected or appointed to office in this state shall be recorded.

**History:** Laws 1893, ch. 56, § 1; C.L. 1897, § 3187; Code 1915, § 515; C.S. 1929, § 17-111; 1941 Comp., § 10-205; 1953 Comp., § 5-2-5.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 47.

### **10-2-6. [Record of official bonds of state and district officers.]**

The bonds of all state and district officers shall be recorded in a record book to be provided for that purpose, and known as the record of official bonds, in the office of the secretary of state.

**History:** Laws 1893, ch. 56, § 2; C.L. 1897, § 3188; Code 1915, § 516; C.S. 1929, § 17-112; 1941 Comp., § 10-206; 1953 Comp., § 5-2-6.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 47.

### **10-2-7. [Filing of bonds by officials of state and state agencies.]**

The bonds of all state officials, and of the members of all state boards and institutions, after having been recorded as required by law, shall be filed and kept in the office of the secretary of state; and all state bonds now filed elsewhere shall be transferred to the office of the secretary.

**History:** Laws 1905, ch. 59, § 1; Code 1915, § 517; C.S. 1929, § 17-113; 1941 Comp., § 10-207; 1953 Comp., § 5-2-7.

## ANNOTATIONS

**Cross references.** — For director and officers and employees of financial institutions division, bonds, see 58-1-33 NMSA 1978.

For board of dental health care, see 61-5A-8 NMSA 1978.

For board of medical examiners, bond of secretary-treasurer, see 61-6-3 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 47.

### **10-2-8. County and precinct officers; recording and filing bonds.**

The bonds of all county officers and constables shall be recorded in the office of the county clerk in a book designated as the record of official bonds. After having been recorded, the bonds shall be filed and kept in the office of the county clerk.

**History:** Laws 1893, ch. 56, § 3; C.L. 1897, § 3189; Code 1915, § 518; C.S. 1929, § 17-114; 1941 Comp., § 10-208; 1953 Comp., § 5-2-8; Laws 1967, ch. 238, § 2.

### ANNOTATIONS

**Cross references.** — For county commissioners, assessor, clerk, sheriff, surveyor, treasurer, probate judge, flood commissioner, and small claims court clerk, see 10-1-13 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 43.

### 10-2-9. [Recording as prerequisite to discharging duties of office.]

Each and every person who may hereafter be elected or appointed to office in this state, required by law to give bond, shall file the same for record before entering upon the discharge of the duties of the office.

**History:** Laws 1893, ch. 56, § 5; C.L. 1897, § 3190; Code 1915, § 519; C.S. 1929, § 17-115; 1941 Comp., § 10-209; 1953 Comp., § 5-2-9.

### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 43.

### 10-2-10. [Action on bond; use of certified copy.]

In all actions at law upon the bond of any officer in this state wherein the original bond of such officer cannot be produced in court, the certified copy thereof, under the seal of the officer making the record, shall be received by any court for the same uses and purposes as the original bond; and any judgment rendered and execution issued against the principal and sureties therein shall be as valid and binding and of as full force and effect as if the original bond had been produced in court in said action at law.

**History:** Laws 1893, ch. 56, § 6; C.L. 1897, § 3191; Code 1915, § 520; C.S. 1929, § 17-116; 1941 Comp., § 10-210; 1953 Comp., § 5-2-10.

### ANNOTATIONS

**Cross references.** — For enforcement of collection of bond, see 6-10-38 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — What constitutes action on bond, executed under law of United States, so as to be within Federal District Court's jurisdiction under 28 USCS § 1352, 105 A.L.R. Fed. 716.



67 C.J.S. Officers and Public Employees § 307.

### **10-2-11. [Recording fees; payment by officer.]**

The county clerk of each of the several counties shall be entitled to a fee of two dollars and fifty cents (\$2.50) for filing and recording each bond of a county officer, and one dollar [(\$1.00)] for filing and recording each bond of a precinct officer; the fees for such filing and record to be paid by the officer filing the same, at the time of such filing.

**History:** Laws 1893, ch. 56, § 7; C.L. 1897, § 3192; Code 1915, § 521; C.S. 1929, § 17-117; 1941 Comp., § 10-211; 1953 Comp., § 5-2-11.

### **ANNOTATIONS**

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Compiler's notes.** — This section has been partly superseded by 14-8-12 NMSA 1978, which requires a fee of \$2.50 for the recording of any official bond.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 43.

### **10-2-12. [Insufficient bond of county or precinct officer; new bond required; failure to provide; procedure; decree of vacancy by district court.]**

It shall be the duty of the board of county commissioners of each county at each regular meeting thereof on the first day of each meeting to examine and inquire into the sufficiency of all the official bonds given or to be given by any county or precinct officer as required by law, and if it shall appear that any one or more of the securities on the official bond of any county officer has or have removed from the county, died, or become insolvent, or of doubtful solvency, the said board of county commissioners shall cause such county or precinct officer to be summoned to appear before the said board on a day to be named in said summons, to show cause why he should not be required to give a new bond with sufficient security, and if at the appointed time he shall fail to satisfy said board as to the sufficiency of the present security, an order shall be entered of record by said board requiring such county or precinct officer, to file in the office of the county clerk within twenty days, a new bond to be approved as required by law, unless the number and pecuniary ability of other securities on said bond shall be such as to satisfy the board that the bond is sufficient, notwithstanding one or more of the securities on said bond may have removed, be dead, insolvent or of doubtful solvency, in which case the bond in question may be, in the discretion of the board, held sufficient. In the event any such bond is found insufficient, and a new bond is not filed as ordered, the fact shall be certified by the board of county commissioners to the district court of

the county, and shall also be certified to the district attorney of the judicial district wherein such county is located; and it shall thereupon become the duty of the district attorney to cause a hearing to be had in said district court for the purpose of adjudicating and declaring a vacancy in such office, in the event the district court determines, after a hearing, that the bond is in fact insufficient, and such officer fails within five days after the district court has so found to file a new bond with sufficient surety as required by law. Upon the entry of such decree of vacancy it shall thereupon become the duty of the appointing power to fill such office in the manner provided by law.

**History:** Laws 1876, ch. 1, § 37; C.L. 1884, § 368; C.L. 1897, § 687; Code 1915, § 1213; C.S. 1929, § 33-4227; Laws 1939, ch. 57, § 1; 1941 Comp., § 10-212; 1953 Comp., § 5-2-12.

## ANNOTATIONS

**Cross references.** — For county officers, oath, bond, see 10-1-13 NMSA 1978.

**Compiler's notes.** — A similar provision relating only to constables, compiled in Comp. Laws 1865, ch. 40, § 2, deriving from the Kearny Code, Constables, § 3, appears to have been superseded by this section. Carried forward in Comp. Laws 1884, § 449; Comp. Laws 1897, § 802; Code 1915, § 3166; and Comp. Stat. 1929, § 79-112, modified by the 1915 compilers and carried in Code 1915 and Comp. Stat. 1929, it read: "Whenever the county commissioners shall be satisfied that the bond of any constable is likely to prove insufficient, by reason of the death or failure of the sureties to his bond, or any of them, they shall require such constable to give a new bond."

**Bonding of deputy treasurer.** — No statute requires that deputy county treasurers be bonded, and while it is good business for bonding companies which are sureties on county treasurers' bonds, as well as for county treasurers, to require that deputy treasurers be bonded, the county should not pay for the premiums on such deputies' bonds, since the state and county are protected on the treasurers' bonds for any defalcation, even by deputies, under Section 6-10-38 NMSA 1978. 1940 Op. Att'y Gen. No. 40-3417.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 487 to 504.

Liability on bond of sheriff for negligence causing damages to property, 53 A.L.R. 41.

Liability on bond of sheriff for unlawful search, 62 A.L.R. 855.

Right of sureties to take advantage of noncompliance with statutory requirements as to approval of bond, 77 A.L.R. 1479.

Liability of sureties on bond of public officer for acts or defaults occurring after termination of office, 81 A.L.R. 10.

Liability on recording officer's bond for mistakes or defects in respect to records affecting title, 94 A.L.R. 1303.

Liability on bond of sheriff for failure to file return of his proceedings after seizing property under writ or process, 98 A.L.R. 692.

Liability of sureties on bond of public officer to property owners for failure to present or delay in presenting checks given in payment of taxes, 105 A.L.R. 711.

Provision of bond at variance with statutory conditions, 109 A.L.R. 501.

Liability on bond of public officer for loss of public funds due to insolvency of bank in which they were deposited, 155 A.L.R. 436.

False return of execution or attachment, what amounts to, imposing liability on sheriff's or constable's bond, 157 A.L.R. 194.

Public officer's bond as subject to forfeiture for malfeasance in office, 4 A.L.R.2d 1348.

Liability of police or other peace officer on his bond for defamation, 13 A.L.R.2d 897.

Liability on bond of sheriff for personal injury or death, 60 A.L.R.2d 873.

Liability of notary public or his bond for negligence in performance of duties, 44 A.L.R.3d 555.

20 C.J.S. Counties § 100.

### **10-2-13. Short title.**

Sections 10-2-13 through 10-2-16 NMSA 1978 may be cited as the "Surety Bond Act".

**History:** 1953 Comp., § 5-2-13, enacted by Laws 1978, ch. 132, § 1.

### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1978, ch. 132, § 1, repealed 5-2-13, 1953 Comp. (former 10-2-13 NMSA 1978), relating to the short title, and enacted the above section.

**Requiring excess bonds.** — The state board of education may not, pursuant to the terms of Section 22-2-7 NMSA 1978, require that the state superintendent of public

instruction and designated employees of the state department of education obtain bonds in excess of those obtained pursuant to this act. 1987 Op. Att'y Gen. 87-42.

## **10-2-14. Definitions.**

As used in the Surety Bond Act [10-2-13 to 10-2-16 NMSA 1978]:

A. "department" means the general services department;

B. "director" means the director of the risk management division of the department;

C. "employee" means any officer or employee of the state, including elected or appointed officials and persons acting on behalf or in service of a state agency in any official capacity whether with or without compensation, but the term does not include an independent contractor;

D. "secretary" means the secretary of general services;

E. "state agency" means the state or any of its branches, agencies, departments, boards, instrumentalities or institutions;

F. "surety bond coverage" means:

(1) a schedule or blanket corporate surety bond payable to the state and conditioned on the faithful performance of the duties of each employee during his employment or term of office or until his successor is elected or appointed and is qualified and on a proper accounting for all money and property in his official capacity as a state employee; or

(2) a certificate of surety bond coverage issued by the director covering all or any part of the risk set forth in Paragraph (1) of this subsection; and

G. "covered educational entity" means a school district as defined in Section 22-1-2 NMSA 1978 or an educational institution established pursuant to Chapter 21, Article 13, 16 or 17 [repealed] NMSA 1978 which requests and is granted surety bond coverage from the risk management division of the general services department, if the coverage is commercially unavailable; except that coverage shall be provided to a school district only through the public school group insurance authority or its successor unless the district has been granted a waiver by the authority or the authority is not offering the coverage for the fiscal year for which the division offers its coverage. A local school district to which the division may provide coverage may provide for marketing and servicing to be done by licensed insurance agents who shall receive reasonable compensation for their services.

**History:** 1953 Comp., § 5-2-14, enacted by Laws 1978, ch. 132, § 2; 1984, ch. 49, § 1; 1986, ch. 102, § 1.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1978, ch. 132, § 2, repealed 5-2-14, 1953 Comp. (former 10-2-14 NMSA 1978), relating to definitions used in the Surety Bond Act, and enacted a new 10-2-14 NMSA 1978.

**Compiler's notes.** — Chapter 21, Article 17 NMSA 1978, referenced in Subsection G, was repealed by Laws 1999, ch. 219, effective July 1, 1999.

### **10-2-15. Surety bond coverage.**

A. The department shall provide surety bond coverage for all employees. Whenever an employee is required by another law to post bond or surety as a prerequisite to entering employment or assuming office, the requirement is met when coverage is provided for the office or position under the provisions of the Surety Bond Act [10-2-13 to 10-2-16 NMSA 1978]. Notwithstanding any other provisions of law, no state agency or employee shall purchase any employee surety bond other than pursuant to the provisions of the Surety Bond Act.

B. The secretary shall prescribe the amount of surety bond coverage by class of employee.

C. All or any part of the amount of surety bond coverage prescribed by the secretary may be covered by a schedule or blanket corporate surety bond.

D. The department may provide coverage for employees of covered educational entities through insurance, self-insurance or a combination thereof.

**History:** 1953 Comp., § 5-2-15, enacted by Laws 1978, ch. 132, § 3; 1986, ch. 102, § 2.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1978, ch. 132, § 3, repealed 5-2-15, 1953 Comp. (former 10-2-15 NMSA 1978), relating to surety bonds required, and enacted a new 10-2-15 NMSA 1978.

**Intent to cover all state officers and employees.** — This section, by its language, "Notwithstanding any other provision of law," evidences legislative intent that the Surety Bond Act controls surety bond coverage of all state officers and employees. 1987 Op. Att'y Gen. No. 87-42.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 43.

### **10-2-16. Surety bond fund.**

A. There is created in the state treasury a "surety bond fund".

B. Money deposited in the surety bond fund may be expended by the department:

- (1) to provide surety bond coverage;
- (2) to create a retention fund to cover all or any portion of the surety bond risks of state agencies and covered educational entities;
- (3) to pay claims of state agencies and covered educational entities covered by a surety bond certificate of coverage issued by the department; and
- (4) to pay any costs and expenses of carrying out the provisions of this section.

C. Claims against the surety bond fund shall be made in accordance with a certificate of coverage issued by the department to each state agency and covered educational entity. If the secretary has reason to believe that the surety bond fund would be exhausted by the payment of all claims allowed against the fund during a particular state fiscal year, the amounts paid for each claim shall be prorated with each state agency and covered educational entity receiving an amount equal to the percentage that its claims bear to the total of claims outstanding and payable from the fund. Any amounts due and unpaid as a result of such proration shall be paid in the following fiscal years.

D. The department shall collect or transfer funds from each state agency and covered educational entity to cover costs of coverage of employees of the agency as required by this section. Money collected or transferred from a state agency or covered educational entity pursuant to this subsection shall be deposited in the surety bond fund. Income from the surety bond fund shall be credited to the fund.

E. The department may provide individual surety bond coverage protecting employees who are employers or supervisors from personal losses for which they may be responsible, which losses were caused by the lack of honesty or faithful performance of employees under their supervision or control.

F. The department shall have the right to recover from a public employee for any loss under the Surety Bond Act [10-2-13 to 10-2-16 NMSA 1978] for which the public employee was responsible.

G. The risk management advisory board shall review:

- (1) specifications for all surety bond coverage to be purchased by the department;

(2) the form and legal sufficiency of any surety bond coverage to be purchased by the department; and

(3) the form, purpose and content of any surety bond certificate of coverage to be issued by the director.

**History:** 1953 Comp., § 5-2-16, enacted by Laws 1978, ch. 132, § 4; 1986, ch. 102, § 3; 1989, ch. 324, § 4; 1996 (1st S.S.), ch. 3, § 2; 2000, ch. 27, § 1.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1978, ch. 132, § 4, repealed 5-2-16, 1953 Comp. (former 10-2-16 NMSA 1978), relating to terms and conditions of surety bonds, and enacted a new 10-2-16 NMSA 1978.

**The 2000 amendment,** effective March 6, 2000, added Subsection B(2) and redesignated former Subsections B(2) and B(3); deleted "including any transfers to the surety bond fund from the risk reserve" following "surety bond fund" in the second sentence of Subsection C; and deleted Subsection H, concerning excess cash balances in the surety bond fund.

**The 1996 amendment,** effective March 21, 1996, in Subsection B, deleted Paragraph (2) which read "to create a retention fund to cover all or any portion of the surety bond risks of state agencies and covered education entities", and redesignated the remaining paragraphs; inserted "including any transfers to the surety bond fund from the risk reserve" in the second sentence of Subsection C; added the last sentence in Subsection D; and added Subsection H.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers § 39.

### 10-2-17. Repealed.

## ANNOTATIONS

**Repeals.** — Laws 1978, ch. 132, § 6, repealed 5-2-17, 1953 Comp. (10-2-17 NMSA 1978), relating to bonds required under other laws, effective March 6, 1978.

## ARTICLE 3

### Vacancies in Local Offices

#### 10-3-1. Circumstances causing vacancy in local office.

Any office of a political subdivision of the state subject to election by the qualified electors within the political subdivision becomes vacant under any of the following circumstances:

- A. by resignation or death of the party in office;
- B. removal of the officer as provided by Sections 10-4-1 through 10-4-29 NMSA 1978;
- C. failure of the officer to qualify as provided by law;
- D. expiration of the term of office when no successor has been chosen as provided by law;
- E. when the officer removes from the area from which the officer was elected to represent and, in case of an officer serving pursuant to an appointment, when the officer removes from the area the officer was appointed to represent;
- F. absence from the political subdivision in which the officer serves for six consecutive months; but this provision does not apply to those officers wherein the law provides that the duties may be discharged by a deputy, when such absence is due to illness or other unavoidable cause;
- G. by an officer accepting and undertaking an employment relationship with the political subdivision in which the officer serves in a position subject to election; or
- H. by an officer taking the oath of office or undertaking to discharge the duties of another incompatible office.

**History:** Laws 1909, ch. 36, § 3; Code 1915, § 3956; C.S. 1929, § 96-107; 1941 Comp., § 10-301; 1953 Comp., § 5-3-1; 2018, ch. 79, § 81; 2019, ch. 212, § 211.

### ANNOTATIONS

**Cross references.** — For temporary abandonment for service in military forces, see 10-6-1 NMSA 1978.

For permanent abandonment of office, what constitutes, see 10-6-3 NMSA 1978.

For incompatible office or service, definition, see 10-6-5 NMSA 1978.

For dismissal, demotion or suspension for conflict of interest, see 10-16-14 NMSA 1978.

**The 2019 amendment**, effective April 3, 2019, revised the provisions related to the circumstances that may cause a vacancy in a local office; in the introductory clause, after "Any office", deleted "belonging to the class mentioned in Section 10-4-1 NMSA 1978" and added "of a political subdivision of the state subject to election by the qualified electors within the political subdivision", in Subsection A, after "by", added "resignation or"; in Subsection G, after "by", deleted "resignation of the" and added "an", after "officer", added "accepting and undertaking an employment relationship with the



political subdivision in which the officer serves in a position subject to election"; and in Subsection H, after "officer", deleted "accepting and" and added "taking the oath of office or".

**The 2018 amendment**, effective July 1, 2018, added a section heading, clarified that an officer must live in the area the officer was elected or appointed to represent, and made technical and conforming changes; added the section heading; in the introductory clause, after "Section", deleted "3954" and added "10-4-1 NMSA 1978"; redesignated former Paragraphs [1] through [8] as Subsections A through H, respectively; in Subsection B, after "as provided by", deleted "this chapter" and added "Sections 10-4-1 through 10-4-29 NMSA 1978"; in Subsection E, after "removes from the", deleted "county in" and added "area from", after "the officer was elected", added "to represent", after "in case of", deleted "municipal officers" and added "an officer serving pursuant to an appointment", after "removes from the", deleted "town or city for which he is elected" and added "area the officer was appointed to represent"; and in Subsection F, after "absence from the", deleted "county" and added "political subdivision in which the officer serves", and after "six consecutive months", deleted "and, in cases of municipal officers, absence for such length of time from the village, town or city for which he is elected".

**Dual office holding.** — The offices of mayor and district attorney of a city are not incompatible and may be held by the same person at the same time, and the fact that the mayor is also district attorney is not ground for ousting him from the mayoralty. *State ex rel. Chapman v. Truder*, 1930-NMSC-049, 35 N.M. 49, 289 P. 594.

**Effect on other section.** — This section, creating a vacancy for "failure of the officer to qualify as provided by law" does not repeal by implication the last line of 10-3-3 NMSA 1978 providing that an appointive officer shall hold office until "his successor shall be duly elected and qualified according to law." *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**Effect where authority to hold over after expiration of term.** — During the period in which a public officer holds over after the expiration of his term, under constitutional or statutory authority entitling him to do so until the election and qualification of a successor, there is no vacancy in office which may be filled by an interim appointment. *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**Reelected county clerk's resignation before new term.** — Where a reelected county clerk resigned prior to the beginning of her new term, a vacancy in office was thereby created pursuant to this section and the person properly appointed on the same day as the resignation and qualified pursuant to Section 10-3-3 NMSA 1978 was entitled to hold the office until her successor was duly elected and qualified; therefore, there was no vacancy in the office for the new term. *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**Effect of death of elected candidate before term begins.** — The death of an elected candidate before term of office commences does not seat the minority candidate, but

creates a vacancy to be filled as in case of vacancy for any other reason. 1918 Op. Att'y Gen. No. 18-2145.

**Meaning of "qualify".** — The word "qualify" does not refer to eligibility for the office but rather to the performance of the acts which the chosen person is required to perform before he can enter into office (usually the taking of an oath and the filing of a bond). 1963 Op. Att'y Gen. No. 63-86.

**Residence in legal contemplation.** — Residence in legal contemplation may be maintained in a locality despite actual physical absence, the mental intent of the person being an important factor in determining residence. 1964 Op. Att'y Gen. No. 64-20.

**Intracounty move of county commissioner.** — The removal of a county commissioner from the district from which he was elected to another part of the county does not create a vacancy in the office. 1912 Op. Att'y Gen. No. 12-955.

**Resignation of judge of small claims court.** — The resignation of the judge of the small claims court caused a vacancy in that office. 1964 Op. Att'y Gen. No. 64-146.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 138, 139.

Resignation from one office as affecting eligibility to another office during term of former office, 5 A.L.R. 117, 40 A.L.R. 945.

Right of officer to resign, 19 A.L.R. 39.

Incompatibility of offices or positions in military service and civil service, 26 A.L.R. 142, 132 A.L.R. 254, 147 A.L.R. 1419, 148 A.L.R. 1399, 150 A.L.R. 1444.

Death or disability of one elected to office before qualifying as creating a vacancy, 74 A.L.R. 486.

Reconsideration of appointment to fill vacancy, 89 A.L.R. 141.

When resignation of public officer becomes effective, 95 A.L.R. 215.

Effect of election to, or acceptance of, one office by incumbent of another when both cannot be held by same person, 100 A.L.R. 1162.

Military service, induction or voluntary enlistment for, as creating vacancy in public office or employment, 151 A.L.R. 1462, 152 A.L.R. 1457, 153 A.L.R. 1429, 154 A.L.R. 1455, 155 A.L.R. 1456, 156 A.L.R. 1455, 157 A.L.R. 1454, 158 A.L.R. 1456, 35 A.L.R. Fed. 649.

Vacancy in public office within constitutional or statutory provision for filling vacancy, where incumbent appointed or elected for a fixed term and until successor is appointed or elected, is holding over, 164 A.L.R. 1248.

Conviction of offense under federal law or law of another state or country as vacating accused's holding of state or local office, 20 A.L.R.2d 732.

Assertion of immunity as ground for removing or discharging public officer or employee, 44 A.L.R.2d 789.

Acceptance or assertion of right to pension or retirement as abandonment of public employment, 76 A.L.R.2d 1312.

Public officer's withdrawal of resignation made to be effective at future date, 82 A.L.R.2d 750.

Incompatibility, under common-law doctrine, of office of state legislator and position or post in local political subdivision, 89 A.L.R.2d 632.

Removal of public officer for misconduct during previous term, 42 A.L.R.3d 691.

67 C.J.S. Officers and Public Employees §§ 74 to 76.

## **10-3-2. Recompiled.**

### **ANNOTATIONS**

**Recompilations.** — Laws 1993, ch. 226, § 53A recompiled 10-3-2 NMSA 1978, as amended by Laws 1979, ch. 335, § 2, relating to vacancies on local school boards, as 22-5-12 NMSA 1978, effective July 1, 1993.

## **10-3-3. Vacancy in county office; appointment.**

Whenever any vacancy in any county office in any of the counties of this state, other than a vacancy in the office of county commissioner, occurs by reason of death, resignation or otherwise, it is the duty of the board of county commissioners of the county where such vacancy has occurred to fill the vacancy by appointment, and the appointee shall be entitled to hold the office until the end of the unexpired term of office.

**History:** Laws 1907, ch. 6, § 2; Code 1915, § 1219; C.S. 1929, § 33-4233; 1941 Comp., § 10-302; 1953 Comp., § 5-3-2; 2019, ch. 212, § 212.

### **ANNOTATIONS**

**Cross references.** — For appointment of successor, see 10-4-28 NMSA 1978.

For tenure of office of state officers, see N.M. Const. art. XX, § 2.

**The 2019 amendment**, effective April 3, 2019, provided the term of office for an appointee to a vacancy in a county office; added "Vacancy in county office; appointment."; and after "hold the office until", deleted "his successor shall be duly elected and qualified according to law" and added "the end of the unexpired term of office".

**Interim appointment.** — There is no provision in this statute for an interim appointment. Having made the appointment which filled the vacancy, the jurisdiction of the board was exhausted until another vacancy occurred. It is irrelevant that the plaintiff was designated as "acting county clerk" or that she filed her oath of office and bond as an "acting county clerk"; the appointment is for the full legal term, notwithstanding the appointing body's attempt to give it a different duration. *State ex rel. Walker v. Dilley*, 1974-NMSC-090, 86 N.M. 796, 528 P.2d 209.

**Serial appointments.** — Where power has been given to appoint to an office and the same has been exercised, any subsequent appointment to the same office will be void unless the prior incumbent has been removed or the office has otherwise become vacant, and an office is not vacant so long as it is supplied, in the manner provided by the constitution or law, with an incumbent who is legally qualified to exercise the power and perform the duties which pertain to it. *State ex rel. Walker v. Dilley*, 1974-NMSC-090, 86 N.M. 796, 528 P.2d 209.

**Effect of hold-over authority after term expiration.** — During the period in which a public officer holds over after the expiration of his term, under constitutional or statutory authority entitling him to do so until the election and qualification of a successor, there is no vacancy in office which may be filled by an interim appointment. *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**Appointee incumbent cannot be displaced by another appointee.** *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**Reelected clerk's resignation prior to beginning of term.** — Where a reelected county clerk resigned prior to the beginning of her new term, a vacancy in office was thereby created pursuant to Section 10-3-1 NMSA 1978 and the person properly appointed on the same day as the resignation was entitled to hold the office until her successor was duly elected and qualified; therefore, there was no vacancy in the office for the new term. *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**Last line of section not repealed.** — Section 10-3-1 NMSA 1978, creating a vacancy for "failure of the officer to qualify as provided by law" does not repeal by implication the last line of this section, providing that an appointive officer shall hold office until "his successor shall be duly elected and qualified according to law." *State ex rel. Rives v. Herring*, 1953-NMSC-086, 57 N.M. 600, 261 P.2d 442.

**No power to appoint when no power to elect.** — Where people had no legal right to elect an assessor for a county, board of county commissioners had no legal right to appoint, and where such appointment was made, there being no vacancy, such appointment was of no legal effect. *Territory ex rel. Sandoval v. Albright*, 1904-NMSC-021, 12 N.M. 293, 78 P. 204, *appeal dismissed*, 200 U.S. 9, 26 S. Ct. 210, 50 L. Ed. 346 (1906).

**Probate judge vacancy appointments.** — A probate judge, who is appointed to replace a probate judge who died in the first year of a four-year term, must participate in the first primary and general elections after the appointment and if elected, the appointee must run again two years later when the original term expires. 2012 Op. Att'y Gen. No. 12-04.

**Incumbent ineligible for reappointment.** — A vacancy in a county office may occur where a successor in an office fails to qualify. The board of county commissioners must appoint a person to fill the vacancy and an incumbent who has already served two consecutive terms is ineligible for that appointment. 1979 Op. Att'y Gen. No. 79-19.

**Appointment within a reasonable time.** — No mention is made of the time in which the appointment must be made, thus, in the absence of any directives, the appointment must be made within a reasonable time. 1970 Op. Att'y Gen. No. 70-50.

**Incumbent may hold over.** — Where person elected to office of probate judge dies before taking office, and incumbent of the office is appointed by county commissioners a year before that time upon resignation of the probate judge, the incumbent holds over until a successor is appointed by board of county commissioners. 1936 Op. Att'y Gen. No. 36-1480.

**Duration of appointee's term.** — A county officer appointed by the board of county commissioners serves until the next succeeding general election. 1924 Op. Att'y Gen. No. 24-3788.

**Second appointee authorized.** — Where one has been appointed county clerk and his bond has not been approved in 13 days, the commissioners are authorized to appoint another. 1914 Op. Att'y Gen. No. 14-1236.

**Scope of powers.** — The board of county commissioners has the power to fill vacancies in any county offices, except vacancies occurring in the board itself. 1912 Op. Att'y Gen. No. 12-944.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 103.

## **ARTICLE 4**

### **Removal of Local Officers**

## 10-4-1. Local officers subject to removal.

Any officer of a political subdivision of the state elected by the people and any officer appointed to fill out the unexpired term of any such officer may be removed from office on any of the grounds mentioned in and according to the provisions of Sections 10-4-1 through 10-4-29 NMSA 1978.

**History:** Laws 1909, ch. 36, § 1; Code 1915, § 3954; C.S. 1929, § 96-105; 1941 Comp., § 10-303; 1953 Comp., § 5-3-3; 2018, ch. 79, § 82.

### ANNOTATIONS

**Cross references.** — For removal of justices, judges or magistrates of any court, see N.M. Const., art. VI, § 32.

For removal of municipal officer for malfeasance in office, see 3-10-7 NMSA 1978.

For supersedeas of judgment in removal proceedings, see Rule 1-062 NMRA.

**The 2018 amendment**, effective July 1, 2018, added a section heading and added statutory citations; added the section heading; after "Any", deleted "county, precinct, district, city, town or village", after "officer", added "of a political subdivision of the state", after "mentioned in", deleted "this chapter", and after "according to the", deleted "provisions hereof" and added "provisions of Sections 10-4-1 through 10-4-29 NMSA 1978".

**Constitutionality.** — This act (Sections 10-3-1, 10-4-1 to 10-4-29 NMSA 1978) does not violate N.M. Const., art. XX, § 2. *State ex rel. Harvey v. Medler*, 1914-NMSC-055, 19 N.M. 252, 142 P. 376.

**Purpose of removal** is not to determine whether a public officer has been a good person or a bad person in the past but only to determine whether, by reason of existing facts and circumstances, he should be removed from his present office. *State v. Santillanes*, 1982-NMSC-138, 99 N.M. 89, 654 P.2d 542.

**Removal from office is a civil and not a criminal proceeding.** *State ex rel. Mitchell v. Medler*, 1913-NMSC-025, 17 N.M. 644, 131 P. 976; *State ex rel. Mansker v. Leib*, 1915-NMSC-071, 20 N.M. 619, 151 P. 766; *State v. Santillanes*, 1982-NMSC-138, 99 N.M. 89, 654 P.2d 542.

**Removal and suspension proceedings separate and distinct.** — Proceedings for removal and that for suspension are separate and distinct, and each requires its own citation as a basis for jurisdiction, although the latter is auxiliary to the former. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Officer not removable for misconduct during prior term.** — The terms "office" and "in office" in this section and Section 10-4-2 NMSA 1978 mean during the current term for which the officer is elected or appointed and in which the offenses charged occurred. Therefore, it is not within the province of the court to punish a public officer by allowing his removal for misconduct which may have occurred during a previous term. *State v. Santillanes*, 1982-NMSC-138, 99 N.M. 89, 654 P.2d 542.

**Power to remove board of education member not exclusive.** — Notwithstanding N.M. Const., art. XII, § 6, the school board does not have exclusive power to remove a member of the state board of education, but the court also has such power under this section. *State ex rel. Hannah v. Armijo*, 1933-NMSC-063, 37 N.M. 423, 24 P.2d 274.

**District attorney not within purview of section.** — This section does not embrace a district attorney within its purview. In 1909, when this section was passed, the district attorney was an officer appointed by the governor of the state by and with the consent of the legislature. The district attorney is not a "county, precinct, district, city, town or village officer elected by the people" under the terms of this section, even though N.M. Const., art. VI, § 24, adopted in 1911, provides for the election of district attorneys. *State ex rel. Prince v. Rogers*, 1953-NMSC-101, 57 N.M. 686, 262 P.2d 779.

**Senator not within purview of section.** — Although a state senator may have been absent from the state for more than six months, yet it rests with the senate to declare his office vacant. 1926 Op. Att'y Gen. No. 26-3909.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Rights of state and municipal public employees in grievance proceedings, 46 A.L.R.4th 912.

Validity under federal constitution of regulations, rules, or statutes requiring random or mass drug testing of public employees or persons whose employment is regulated by state, local, or federal government, 86 A.L.R. Fed. 420.

20 C.J.S Counties §§ 104 to 106; 62 C.J.S. Municipal Corporations § 508.

## **10-4-2. [Causes for removal of local officers.]**

The following shall be causes for removal of any officer belonging to the class mentioned in the preceding section [10-4-1 NMSA 1978]:

- A. conviction of any felony or of any misdemeanor involving moral turpitude;
- B. failure, neglect or refusal to discharge the duties of the office, or failure, neglect or refusal to discharge any duty devolving upon the officer by virtue of his office;
- C. knowingly demanding or receiving illegal fees as such officer;
- D. failure to account for money coming into his hands as such officer;

E. gross incompetency or gross negligence in discharging the duties of the office;

F. any other act or acts, which in the opinion of the court or jury amount to corruption in office or gross immorality rendering the incumbent unfit to fill the office.

**History:** Laws 1909, ch. 36, § 2; Code 1915, § 3955; C.S. 1929, § 96-106; 1941 Comp., § 10-304; 1953 Comp., § 5-3-4.

## ANNOTATIONS

**Cross references.** — For sheriff exercising powers after removal, penalty, see 4-41-4 NMSA 1978.

For misapplication of funds received from United States forest reserves, ground for removal, see 6-11-4 NMSA 1978.

For subregistrars, removal by state registrar of vital statistics, see 24-14-7 NMSA 1978.

For failure of peace officer to investigate violations of criminal laws or cooperate in prosecution, see 29-1-1 NMSA 1978.

For conservancy district officer, removal, see 73-17-8 NMSA 1978.

**Officer not removable for misconduct during prior term.** — The terms "office" and "in office" in this section and Section 10-4-1 NMSA 1978 mean during the current term for which the officer is elected or appointed and in which the offenses charged occurred. Therefore, it is not within the province of the court to punish a public officer by allowing his removal for misconduct which may have occurred during a previous term. *State v. Santillanes*, 1982-NMSC-138, 99 N.M. 89, 654 P.2d 542.

**Generally, as to neglect of duty.** — Dismissal of a public officer for neglect of duty cannot be for honest errors in judgment or mistakes in administration. The dismissal must be for failure or neglect to do a positive duty. 1960 Op. Att'y Gen. No. 60-132.

**Cupidity or pathological sloth.** — The neglect must constitute "cupidity or pathological sloth." The mere failure to perform an act, with nothing more, does not constitute a neglect of duty. 1960 Op. Att'y Gen. No. 60-132.

**Failure to attend meetings as neglect of duty.** — The consistent, continual failure of an elected school board member to attend board meetings could be construed as a neglect of duty. The board is charged with the overall supervision of the schools of the district over which it has jurisdiction, and members thereof are certainly charged with a positive duty of such interest in the matters before the board to attend at least a part of its meetings. A complete failure on the part of a board member to take part in board affairs is a dereliction of a positive duty constituting neglect of office. 1960 Op. Att'y Gen. No. 60-132.



**Failure of justice of peace to account for money.** — A justice of the peace (now magistrate) is an officer subject to removal for failure to account for money owing the state. 1963 Op. Att'y Gen. No. 63-84 (rendered under former law).

**Meaning of "gross incompetency".** — The plain meaning of the term "gross incompetency" is a glaringly noticeable or manifest lack of physical or mental ability. 1976 Op. Att'y Gen. No. 76-24.

**Requirements of nonrelated job causing conflict of duties.** — If an individual is unable to adequately and efficiently perform the duties of a public position because of the requirements of other nonrelated jobs of either a public or private nature, such amounts to an inability to fill the position because of a conflict of duties, thus rendering such person subject to discharge. 1963 Op. Att'y Gen. No. 63-133.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees § 231 et seq.

Physical or mental disability as ground for removal, 28 A.L.R. 777.

Pendency of impeachment proceeding as affecting power of officer, 30 A.L.R. 1149.

Removal or dismissal of public officers or employees for bringing or defending an action affecting personal rights or liabilities, 74 A.L.R. 500.

Refusal of public officer to answer frankly questions asked him during an investigation as grounds for removal or discipline, 77 A.L.R. 616.

Removal of officer for collecting mileage when he had traveled at no expense to himself, 81 A.L.R. 493.

Implied power of appointing authorities to remove officer whose tenure is not prescribed by law, but who has been appointed for definite term, 91 A.L.R. 1097.

Power to remove public officer without notice and hearing, 99 A.L.R. 336.

Reversal of conviction of crime as affecting status of one removed from office because of the conviction, 106 A.L.R. 644.

Constitutional provision for removal of officer at pleasure of appointing power as applicable to office created by statute which prescribes definite term or a different method of removal, 112 A.L.R. 107.

Membership in or affiliation with religious, political, social, or criminal society or group as ground for removal of public officer, 116 A.L.R. 358.

Constitutionality and construction of statute which fixes or specifies term of office, but provides for removal without cause, 119 A.L.R. 1437.

Conviction of offense under federal law or law of another state or country as vacating accused's holding of state or local office or as ground of removal, 20 A.L.R.2d 732.

Assertion of immunity as ground for removing public officer, 44 A.L.R.2d 789.

What is an infamous crime or one involving moral turpitude constituting disqualification to hold public office, 52 A.L.R.2d 1314.

Removal of officer for misconduct during previous term, 42 A.L.R.3d 691.

Validity, construction and effect of state constitutional or statutory provision regarding nepotism in the public service, 11 A.L.R.4th 826.

What constitutes conviction within statutory or constitutional provision making conviction of crime ground of disqualification for, removal from, or vacancy in, public office, 10 A.L.R.5th 139.

20 C.J.S. Counties § 105; 62 C.J.S. Municipal Corporations § 508.

### **10-4-3. [Grand jury accusation.]**

An accusation in writing against any officer belonging to the class of officers mentioned in Section 10-4-1 NMSA 1978, charging any of the matters mentioned in this chapter as sufficient ground for removal, may be presented by the grand jury to the district court of the county in or for which the officer accused is elected.

**History:** Laws 1909, ch. 36, § 4; Code 1914, § 3957; C.S. 1929, § 96-108; 1941 Comp., § 10-305; 1953 Comp., § 5-3-5.

### **ANNOTATIONS**

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**When order to show cause necessary.** — A citation or order to an officer to show cause why he should not be suspended from office until final determination of removal proceeding is necessary before the court has power to proceed to hear the matter of suspension. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 510.

#### **10-4-4. [Form of accusation.]**

The accusation must state the offense charged in ordinary and concise language without repetition and in such manner as to enable a person of common understanding to know what is intended.

**History:** Laws 1909, ch. 36, § 5; Code 1915, § 3958; C.S. 1929, § 96-109; 1941 Comp., § 10-306; 1953 Comp., § 5-3-6.

#### **ANNOTATIONS**

**Strict formality inapplicable.** — Strict formality customarily required in the case of indictments or informations does not apply to accusation under this section. *State ex rel. Mansker v. Leib*, 20 N.M. 619, 151 P. 766 (1915).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Divorce and separation: goodwill in medical or dental practice as property subject to distribution on dissolution of marriage, 76 A.L.R.4th 1025.

20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 514.

#### **10-4-5. [Presentment of grand jury accusation; service on defendant; return day.]**

The accusation must be presented in open court, and the judge, after receiving the same, must forthwith cause it to be transmitted to the district attorney who must cause a copy thereof to be served upon the defendant and require by written notice that such defendant appear before the district court at a date to be named in the notice, which shall be not less than five nor more than ten days after service of a copy of such notice, and answer the accusation.

**History:** Laws 1909, ch. 36, § 6; Code 1915, § 3959; C.S. 1929, § 96-110; 1941 Comp., § 10-307; 1953 Comp., § 5-3-7.

#### **ANNOTATIONS**

**Cross references.** — For procedure for suspension from office, see 10-4-20 NMSA 1978.

For process, see Rule 1-004 NMRA.

For service, see Rule 1-005 NMRA.

**Citation or order to show cause necessary.** — A citation or order to an officer to show cause why he should not be suspended from office until final determination of a removal proceeding is necessary before the court has power to proceed to hear the

matter of suspension. State ex rel. *Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Substitute service.** — In proceedings for the suspension and removal of county commissioner, service may be had in the absence of the accused, by delivering copy of citation to a person over 15 years of age, residing at his usual place of abode. *State ex rel. Leyba v. District Court of the Fourth Judicial Dist.*, 1928-NMSC-051, 33 N.M. 527, 270 P. 797.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 513.

### **10-4-6. [Defendant's appearance or default.]**

The defendant must appear at the time appointed in the notice and answer the accusation unless for sufficient cause the court has assigned another date for that purpose. If he does not appear, the court may proceed to hear and determine the accusation in his absence.

**History:** Laws 1909, ch. 36, § 7; Code 1915, § 3960; C.S. 1929, § 96-111; 1941 Comp., § 10-308; 1953 Comp., § 5-3-8.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 175, 176.

### **10-4-7. [Defendant's answer; grounds.]**

The defendant may answer the accusation either by objecting to the sufficiency thereof, or any portion thereof, or by denying the truth of the same.

**History:** Laws 1909, ch. 36, § 8; Code 1915, § 3961; C.S. 1929, § 96-112; 1941 Comp., § 10-309; 1953 Comp., § 5-3-9.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 176, 177.

### **10-4-8. [Objection for insufficiency; form immaterial.]**

If he objects to the legal sufficiency of the accusation, the objection must be in writing, but need not be in any specific form, it being sufficient if it represents intelligibly the ground of the objection.

**History:** Laws 1909, ch. 36, § 9; Code 1915, § 3962; C.S. 1929, § 96-113; 1941 Comp., § 10-310; 1953 Comp., § 5-3-10.

#### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 177.

#### **10-4-9. [Criminal procedure made applicable.]**

All matters of procedure not otherwise provided for in this chapter shall be governed by the laws governing criminal procedure.

**History:** Laws 1909, ch. 36, § 10; Code 1915, § 3963; C.S. 1929, § 96-114; 1941 Comp., § 10-311; 1953 Comp., § 5-3-11.

#### ANNOTATIONS

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Removal action is civil proceeding.** — An action for the removal of an officer from office under the provisions of this act is a civil and not a criminal proceeding. *State ex rel. Mitchell v. Medler*, 1913-NMSC-025, 17 N.M. 644, 131 P. 976.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Injunction as remedy against removal, 34 A.L.R.2d 554.

67 C.J.S. Officers and Public Employees § 176.

#### **10-4-10. [Guilty plea; judgment; denial or refusal to plead; trial.]**

If the defendant pleads guilty, the court must render judgment of conviction against him. If he denied the matters charged or refuses to answer the accusation, the court must immediately, or at such time as it may appoint, proceed to try the accusation.

**History:** Laws 1909, ch. 36, § 11; Code 1915, § 3964; C.S. 1929, § 96-115; 1941 Comp., § 10-312; 1953 Comp., § 5-3-12.

#### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 177.

### **10-4-11. [Precedence in trial.]**

As soon as the case is at issue, it must be immediately set down for trial and shall have precedence over all other cases on the docket.

**History:** Laws 1909, ch. 36, § 12; Code 1915, § 3965; C.S. 1929, § 96-116; 1941 Comp., § 10-313; 1953 Comp., § 5-3-13.

#### **ANNOTATIONS**

**Preemption not absolute.** — These provisions are not absolutely preemptory, but secure to the public and the defendant a preference of right of trial over other cases. *State ex rel. Mitchell v. Medler*, 1913-NMSC-025, 17 N.M. 644, 131 P. 976.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 177.

### **10-4-12. [Jury trial required; procedure.]**

The trial must be by jury and conducted in all respects in the same manner as a trial on an information or indictment for a misdemeanor.

**History:** Laws 1909, ch. 36, § 13; Code 1915, § 3966; C.S. 1929, § 96-117; 1941 Comp., § 10-314; 1953 Comp., § 5-3-14.

#### **ANNOTATIONS**

**Generally.** — The provision of this section as to the conduct of the trial was designed to throw around the defendant the same safeguards with which the law clothes a defendant in a criminal action. *State ex rel. Mansker v. Leib*, 20 N.M. 619, 151 P. 766 (1915); *State ex rel. Mitchell v. Medler*, 1913-NMSC-025, 17 N.M. 644, 131 P. 976.

**Citation or order to show cause necessary.** — A citation or order to show cause is necessary before the court has the power to proceed to hear the matter. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 177.

### **10-4-13. [Verdict; form.]**

The form of verdict of the jury in such cases shall be "guilty" or "not guilty".

**History:** Laws 1909, ch. 36, § 14; Code 1915, § 3967; C.S. 1929, § 96-118; 1941 Comp., § 10-315; 1953 Comp., § 5-3-15.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 515.

### **10-4-14. [Judgment of removal; entry.]**

Upon a conviction the court must pronounce judgment that the defendant be removed from office; and the judgment must be entered upon the minutes assigning therein the causes of removal.

**History:** Laws 1909, ch. 36, § 15; Code 1915, § 3968; C.S. 1929, § 96-119; 1941 Comp., § 10-316; 1953 Comp., § 5-3-16.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 515.

### **10-4-15. [Attendance of witnesses.]**

The district attorney and the defendant are respectively entitled to such process as may be necessary to enforce the attendance of witnesses as upon a trial of an information or indictment.

**History:** Laws 1909, ch. 36, § 16; Code 1915, § 3969; C.S. 1929, § 96-120; 1941 Comp., § 10-317; 1953 Comp., § 5-3-17.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 176.

### **10-4-16. [Appeal; suspension pending reversal; filling vacancy.]**

From a judgment of removal, appeal may be taken to the supreme court in the same manner as from a judgment in a civil action, but until such judgment is reversed, the defendant is suspended from his office, and pending the appeal, the office must be filled as in case of vacancy.

**History:** Laws 1909, ch. 36, § 17; Code 1915, § 3970; C.S. 1929, § 96-121; 1941 Comp., § 10-318; 1953 Comp., § 5-3-18.

## ANNOTATIONS

**Removal and suspension proceedings separate and distinct.** — A proceeding for suspension and one for removal are separate and distinct, and each requires its own citation as a basis for jurisdiction, although the former is auxiliary to the latter. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 517.

### **10-4-17. [Presentment of accusation by district attorney; vacation; no grand jury in county.]**

The accusation provided for in this chapter may be presented by the district attorney to the judge in vacation or term time at any time when, under the provisions of law there will be no grand jury in the county where the same is presented, for a period of at least twenty days after the presentment of such accusation.

**History:** Laws 1909, ch. 36, § 18; Code 1915, § 3971; C.S. 1929, § 96-122; 1941 Comp., § 10-319; 1953 Comp., § 5-3-19.

#### **ANNOTATIONS**

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Cross references.** — For grand jury accusation, see 10-4-3 NMSA 1978.

**Jurisdiction of district attorney limited.** — The jurisdiction of the district attorney to present the accusation provided for is limited by this section. *State v. Awalt*, 1916-NMSC-020, 21 N.M. 510, 156 P. 407.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 514.

### **10-4-18. [Duty of district attorney on receipt of evidence.]**

Whenever sworn evidence is presented to the district attorney showing that any of the officers of the class provided for in this chapter are guilty of any of the matters herein mentioned as causes for removal, he must present the accusation to the court as provided in the next preceding section [10-4-17 NMSA 1978].

**History:** Laws 1909, ch. 36, § 19; Code 1915, § 3972; C.S. 1929, § 96-123; 1941 Comp., § 10-320; 1953 Comp., § 5-3-20.

#### **ANNOTATIONS**



**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Generally.** — It is the duty of the district attorney to bring matter of complaint to attention of court by statement of the offense in ordinary and concise language, without repetition, and in such manner as to enable a person of common knowledge to know what is intended, and support such statement by the affidavit or affidavits of those having knowledge of the facts upon which cause for removal is based. *State ex rel. Mansker v. Leib*, 1915-NMSC-071, 20 N.M. 619, 151 P. 766.

**Filing accusation.** — The district attorney cannot proceed in the matter of removal of county officials under this act (Sections 10-3-1, 10-4-1 to 10-4-29 NMSA 1978), unless sworn evidence has been presented to him, and unless he files an accusation supported by affidavit or affidavits, at a time when the grand jury of the county would not be in session within a period of twenty days, or at a time when the grand jury was not actually in session. *State v. Awalt*, 1916-NMSC-020, 21 N.M. 510, 156 P. 407.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 176.

### **10-4-19. [Presentment by district attorney; supporting affidavits; procedure.]**

When the accusation is presented by the district attorney as provided in the preceding section [10-4-18 NMSA 1978], the same must be supported by sworn affidavit or affidavits, and the court must forthwith investigate the matter, and if a jury is in attendance at the time such accusation is presented, the court must order a citation to the defendant and thenceforth the case must proceed as provided in this chapter where the accusation is by a grand jury.

**History:** Laws 1909, ch. 36, § 20; Code 1915, § 3973; C.S. 1929, § 96-124; 1941 Comp., § 10-321; 1953 Comp., § 5-3-21.

### **ANNOTATIONS**

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Cross references.** — For presentment of grand jury accusation, see 10-4-5 NMSA 1978.

**Amended verification prohibited.** — Where the verification of an accusation for the removal of a public officer is held insufficient by the trial court within twenty days of the time for the grand jury to meet, or while it is in session, the matter should be presented, and it is error to permit amended verifications. *State v. Awalt*, 1916-NMSC-020, 21 N.M. 510, 156 P. 407.

**Accusation distinguished from information.** — Accusation to be presented to the court by the district attorney may be one based upon information of others and not a formal charge upon information of the district attorney. *State ex rel. Mansker v. Leib*, 1915-NMSC-071, 20 N.M. 619, 151 P. 766.

**Citation or order to show cause necessary.** — Under the provisions of Section 10-4-5 NMSA 1978, a citation or order to an officer to show cause why he should not be suspended from office until final determination of a removal proceeding is necessary before the court has the power to proceed to hear the matter of suspension. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 512.

## **10-4-20. [Procedure for suspension from office.]**

If the accusation provided in this chapter, to be presented by the district attorney, is presented at a time when there is no jury in attendance or is presented to the court in vacation, the court, if it deems such action necessary, after ordering a citation to the defendant as provided in the next preceding section [10-4-19 NMSA 1978], may, on application of the district attorney, also order the defendant to appear at a time not less than five nor more than fifteen days after service of such order and at such place as may be mentioned in the order, to show cause why he should not be suspended from office until the matters and things alleged in the accusation have been judicially determined under the provisions of this chapter.

**History:** Laws 1909, ch. 36, § 21; Code 1915, § 3974; C.S. 1929, § 96-125; 1941 Comp., § 10-322; 1953 Comp., § 5-3-22.

### **ANNOTATIONS**

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Cross references.** — For presentment of accusation by district attorney, see 10-4-17 NMSA 1978.

For deputy sheriff's commission being revoked by district judge, see 4-41-8 NMSA 1978.

**Citation or order necessary.** — A citation or order to an officer to show cause why he should not be suspended from office until final determination of a removal proceeding is necessary before the court has power to proceed to hear the matter of suspension. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Proceedings for removal and suspension are separate and distinct**, and each requires its own citation as a basis for jurisdiction, although the latter is auxiliary to the former. *State ex rel. Delgado v. Leahy*, 1924-NMSC-077, 30 N.M. 221, 231 P. 197.

**Jurisdiction of preliminary investigations.** — District courts are without jurisdiction to entertain preliminary investigations except as provided in this section and Section 10-4-25 NMSA 1978, and jurisdiction assumed outside of these sections is properly restrained by a writ of prohibition. *State ex rel. Harvey v. Medler*, 1914-NMSC-055, 19 N.M. 252, 142 P. 376.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 504.

#### **10-4-21. [Order of suspension.]**

On the date provided in the order, if the defendant appears and offers proof, the court must hear the testimony presented by the district attorney and the defendant, and if in the judgment of the court there is reasonable ground to believe that the matters and things stated in the accusation will be established upon a trial, he may forthwith enter an order suspending the officer until after final hearing.

**History:** Laws 1909, ch. 36, § 22; Code 1915, § 3975; C.S. 1929, § 96-126; 1941 Comp., § 10-323; 1953 Comp., § 5-3-23.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

#### **10-4-22. [Effect of suspension order.]**

The order of suspension shall operate to relieve the officer from all the duties of the office until the matter is finally determined, and he must forthwith vacate the office and turn over all moneys, books, papers and property belonging thereto to the party appointed to serve until such suspension is removed.

**History:** Laws 1909, ch. 36, § 23; Code 1915, § 3976; C.S. 1929, § 96-127; 1941 Comp., § 10-324; 1953 Comp., § 5-3-24.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 108.

### **10-4-23. [Denial of motion to suspend; dismissal of proceedings.]**

If the court concludes that there is not sufficient ground for suspending the officer, it may enter an order denying the motion to suspend him and hold the matter in statu quo until final hearing, or the court may, in its discretion, dismiss the proceedings.

**History:** Laws 1909, ch. 36, § 24; Code 1915, § 3977; C.S. 1929, § 96-128; 1941 Comp., § 10-325; 1953 Comp., § 5-3-25.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

### **10-4-24. [Default of defendant; effect.]**

If the defendant fails to appear and answer the order to show cause why he should not be suspended, the court may proceed in his absence as in this chapter provided.

**History:** Laws 1909, ch. 36, § 25; Code 1915, § 3978; C.S. 1929, § 96-129; 1941 Comp., § 10-326; 1953 Comp., § 5-3-26.

## ANNOTATIONS

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

### **10-4-25. [Continuance; preliminary investigation required; suspension pending final adjudication.]**

Nothing in this chapter shall operate to deprive any defendant of the right to a continuance in any case in which such right would attach in any criminal case as provided by law, but before any case shall be continued, upon application of the defendant, beyond the term of court at which the accusation is presented, or if such accusation is presented in vacation beyond the first term of court after presentment

thereof the court may, upon application of the district attorney, make a preliminary investigation as provided in this chapter and suspend the officer, pending a final adjudication of the matters alleged in the accusation.

**History:** Laws 1909, ch. 36, § 26; Code 1915, § 3979; C.S. 1929, § 96-130; 1941 Comp., § 10-327; 1953 Comp., § 5-3-27.

## ANNOTATIONS

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Jurisdiction of district courts.** — The act (Sections 10-3-1, 10-4-1 to 10-4-29 NMSA 1978) confers jurisdiction upon the district courts to make preliminary investigations and suspend an officer pending outcome of accusation, before continuance beyond the term of court. *State ex rel. Harvey v. Medler*, 1914-NMSC-055, 19 N.M. 252, 142 P. 376.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

### **10-4-26. [Reinstatement of suspended officer.]**

If upon final trial the defendant is found not guilty, he must be reinstated and the party serving during the time of his suspension must immediately vacate the office and return to the defendant all moneys, books, papers and other property in his hands as such officer.

**History:** Laws 1909, ch. 36, § 27; Code 1915, § 3980; C.S. 1929, § 96-131; 1941 Comp., § 10-328; 1953 Comp., § 5-3-28.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 111, 114.

### **10-4-27. [Payment of salary after reinstatement; compensation of interim officer.]**

If an officer has been suspended as provided in this chapter and reinstated after final trial, he shall receive pay for the entire time of his suspension, and the court may make an order to pay the officer serving during the time of such suspension, such reasonable compensation as his services warrant, which shall be paid out of a fund to be designated by the court.

**History:** Laws 1909, ch. 36, § 28; Code 1915, § 3981; C.S. 1929, § 96-132; 1941 Comp., § 10-329; 1953 Comp., § 5-3-29.

## ANNOTATIONS

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Cross references.** — For suspension of officer, see 10-4-25 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 114.

### **10-4-28. [Officer appointed for suspension period; oath and bond; filling vacancy after final removal.]**

When any officer is suspended as provided in this act [chapter], the judge of said court shall appoint some qualified person to discharge the duties of such officer during the period of his suspension, which person shall take the oath and give the bond required of incumbents of such office, and in case the final judgment be for the removal of such accused officer before the expiration of his term, his successor shall be appointed in the manner provided by law for filling vacancies in such office.

**History:** Laws 1909, ch. 36, § 29; Code 1915, § 3982; Laws 1915, ch. 21, § 1; C.S. 1929, § 96-133; 1941 Comp., § 10-330; 1953 Comp., § 5-3-30.

## ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler to conform to the substitutions of "this chapter" for "this act" made by the 1915 Code compilers throughout this article. The bracketed insertion is not a part of the law.

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 74 to 79, 108.

### **10-4-29. [Exclusive method of removal.]**

No officer belonging to the class mentioned in Section 10-4-1 NMSA 1978 can be removed from office in any manner except according to the provisions of this chapter.

**History:** Laws 1909, ch 36, § 30; Code 1915, § 3983; C.S. 1929, § 96-134; 1941 Comp., § 10-331; 1953 Comp., § 5-3-31.

## ANNOTATIONS

**Compiler's notes.** — The 1915 Code compilers replaced "chapter 36 of the Session Laws of 1909," compiled as 10-3-1, 10-4-1 to 10-4-29 NMSA 1978, with "this chapter," referring to Chapter 80 of the 1915 Code, §§ 3950 to 3985, compiled as 10-1-2 to 10-1-4, 10-3-1, 10-4-1 to 10-4-29 and 10-17-5 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Injunction as remedy against removal, 34 A.L.R.2d 554.

20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 506.

## ARTICLE 5 Suspension of Certain Officials

### 10-5-1. Definition.

"Official of any local public body" means every officer, deputy or employee of:

- A. every political subdivision of the state of New Mexico;
- B. the agencies, instrumentalities and institutions of every political subdivision of this state; and
- C. charitable institutions for which appropriations are made by the legislature.

**History:** 1953 Comp., § 5-3-37.1, enacted by Laws 1957, ch. 254, § 1; 1979, ch. 281, § 1.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 2 to 4.

### 10-5-2. Power of secretary to suspend certain officials; grounds for suspension; secretary to take charge of office.

The secretary of finance and administration may summarily suspend any official of any local public body in all cases where an audit conducted by the state auditor, or by personnel of his office, or by an independent auditor employed or approved by the state auditor reveals any of the following:

A. a fraudulent misappropriation or embezzlement of public money;

B. fiscal management of an office resulting in violation of law or willful violation of the fiscal regulations of the department of finance and administration for every local public body; or

C. willful failure to perform any duty imposed by any law which the secretary of finance and administration is charged with enforcing.

Upon such suspension, the secretary of finance and administration may take charge of the office of the persons [person] suspended.

**History:** 1953 Comp., § 5-3-37.2, enacted by Laws 1957, ch. 254, § 2; 1977, ch. 247, § 37; 1979, ch. 281, § 2; 1980, ch. 151, § 7.

### ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Scope includes county treasurer.** — Since the county treasurer is a salaried public official, the suspension provisions of this section are applicable to anyone holding that office. *Mata v. Montoya*, 1977-NMSC-078, 91 N.M. 20, 569 P.2d 946.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Rights of state and municipal public employees in grievance proceedings, 46 A.L.R.4th 912.

20 C.J.S. Counties § 106; 62 C.J.S. Municipal Corporations § 504; 67 C.J.S. Officers and Public Employees §§ 108 to 111.

### 10-5-3. Hearing; testimony.

Within five days after such suspension or within such reasonable time as the person suspended may request, the secretary of finance and administration shall conduct a hearing for the person suspended. At such hearing the person suspended may show cause why such suspension should not be continued. The state auditor, and the employees of his office or the auditors employed by the state auditor to conduct the audit upon which suspension was based, shall appear at the hearing and give testimony.

**History:** 1953 Comp., § 5-3-37.3, enacted by Laws 1957, ch. 254, § 3; 1977, ch. 247, § 38; 1979, ch. 281, § 3.

### ANNOTATIONS



**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

#### **10-5-4. Oaths; subpoenas.**

The secretary of finance and administration is authorized to administer oaths to persons who testify at such hearing. The secretary may compel the attendance of any person whose testimony may be required or needed at such hearing, and to compel the production of books, papers, documents, records and data necessary thereto. The official requesting the hearing shall have the right to make timely request to the secretary that subpoenas for necessary and material witnesses or for the production of documents and papers be issued, and the same shall be issued. The secretary and such employees of the department as may be designated by the secretary are authorized to issue subpoenas for persons whose testimony is required, and subpoenas so issued shall be served by persons authorized by law to make such service in civil actions, and if served by a sheriff or deputy, such service shall be made without cost.

**History:** 1953 Comp., § 5-3-37.4, enacted by Laws 1957, ch. 254, § 4; 1977, ch. 247, § 39.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

#### **10-5-5. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1979, ch. 281, § 7, repealed 10-5-5 NMSA 1978, relating to penalties.

#### **10-5-6. Continuance of suspension after hearing; discontinuance of salary.**

After such hearing, the secretary of finance and administration shall have discretion to continue such suspension for any of the causes above numbered, and if such suspension is continued no salary shall be received by such official during such suspension unless reinstated by the order of the district court as hereinafter provided.

**History:** 1953 Comp., § 5-3-37.6, enacted by Laws 1957, ch. 254, § 6; 1977, ch. 247, § 40.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 111.

### **10-5-7. Petition for reinstatement; order to show cause; result.**

A. If after hearing before the secretary of finance and administration such suspension is continued, the person suspended shall have the right to appeal to the district court of the county where he was serving as an official within thirty days after entry of the order of suspension.

B. Upon appeal, the court shall set aside an order of suspension only if it is found to be:

- (1) arbitrary, capricious or an abuse of discretion;
- (2) not supported by substantial evidence in the record; or
- (3) otherwise not in accordance with the law.

**History:** 1953 Comp., § 5-3-37.7, enacted by Laws 1957, ch. 254, § 7; 1977, ch. 247, § 41; 1979, ch. 281, § 4.

### **ANNOTATIONS**

**Cross references.** — For procedures governing administrative appeals to the district court, see Rule 1-074 NMRA.

For scope of review of the district court, see *Zamora v. Village of Ruidoso Downs*, 120 N.M. 778, 907 P.2d 182 (1995).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 108, 111, 114, 116.

### **10-5-8. Control of office; bond of agent in charge; discretionary reinstatement; institution of removal proceedings.**

Whenever the secretary of finance and administration assumes control of any office as hereinabove provided, the secretary may assign any employee of the department of finance and administration to perform the duties of the official suspended by the secretary.

The secretary of finance and administration may reinstate a suspended official of any local public body whenever the suspended official has made a proper showing satisfactory to the secretary that he is able and willing to conduct his office as provided by law, and that no loss will be suffered by the local public body.

In all cases where there shall be grounds for removal of such official, the secretary of finance and administration may cause removal proceedings to be instituted and prosecuted by the attorney general or district attorney, in the manner now provided by law for the institution and prosecution of such proceedings by the district attorney.

**History:** 1953 Comp., § 5-3-37.8, enacted by Laws 1957, ch. 254, § 8; 1977, ch. 247, § 42; 1979, ch. 281, § 5.

## ANNOTATIONS

**Cross references.** — For county officers, bond, see 10-1-13 NMSA 1978.

For definition of "official of any local public body", see 10-5-1 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 108, 111, 114.

### **10-5-9. Suspended official to deliver money and records to secretary; failure or refusal; criminal penalty.**

A. Upon written order of suspension by the secretary of finance and administration, the official suspended shall immediately deliver to the secretary all money, records and other property of the office in his charge, for which the secretary shall give a receipt.

B. If upon order of the secretary a suspended official of any local public body refuses or fails to deliver to the secretary all money, records and other property of the local public body, the secretary may invoke the aid of the court to require delivery of money, records and other property of the local public body.

C. It shall be a petty misdemeanor for an official of any local public body to willfully fail or refuse to deliver all money, records and other property of the local public body to the secretary upon order in accordance with the provisions of this section. Upon conviction, the official shall be sentenced to not more than six months in the county jail and fined not more than five thousand dollars (\$5,000) or both such imprisonment and fine in the discretion of the judge.

**History:** 1953 Comp., § 5-3-37.9, enacted by Laws 1957, ch. 254, § 9; 1977, ch. 247, § 43; 1979, ch. 281, § 6.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 108, 257 to 259.

## ARTICLE 6

### Abandonment of Public Office or Employment

#### 10-6-1. [Effect of public officer or employee entering military service.]

Any incumbent of any public office or employment of the state of New Mexico, or of any of its departments, agencies, counties, municipalities or political subdivisions whatsoever, who shall heretofore have entered or who hereafter shall enter military, naval, United States merchant marine, or other armed service of the United States of America, and who by reason of the duties imposed upon him in such service shall fail to devote his time to the performance in person of the duties of such office or employment shall, by entering or continuing in such service, be deemed to have waived and renounced the salary of, and to have abandoned such office or employment until, but only until, he shall have been relieved from active duty in such service and shall have resumed the personal performance of the duties of such public office or employment.

**History:** 1941 Comp., § 10-338, enacted by Laws 943, ch. 123, § 1; 1953 Comp., § 5-3-38.

#### ANNOTATIONS

**Purpose of statute.** — Laws 1943, ch. 123 (Sections 10-6-1 to 10-6-6 NMSA 1978) had as its purpose the preservation to incumbents of their offices despite their failure to perform the duties thereof while in the armed services, and guarding against disruption of essential functions of government. *State ex rel. Sanchez v. Stapleton*, 1944-NMSC-056, 48 N.M. 463, 152 P.2d 877.

**Challenge by public officer.** — A public officer who enters military service cannot challenge provisions of act which temporarily diverts emoluments of the office during his inability to perform the duties of such office, in view of applicability of the removal and vacancy statutes which would normally foreclose him from retaining any right to either emoluments or salary pertaining to such office. *State ex rel. Sanchez v. Stapleton*, 1944-NMSC-056, 48 N.M. 463, 152 P.2d 877.

**Challenge by person not legally appointed.** — One who was not legally appointed to the post of deputy assessor cannot question constitutionality of act which provides for carrying on duties of public officer who entered military service. *State ex rel. Sanchez v. Stapleton*, 1944-NMSC-056, 48 N.M. 463, 152 P.2d 877.

**Section is applicable to members of municipal boards of education.** 1944 Op. Att'y Gen. No. 44-4629.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Induction or voluntary enlistment in military service as creating a vacancy in, or as ground of removal from, public office or

employment, 143 A.L.R. 1470, 147 A.L.R. 1427, 148 A.L.R. 1400, 150 A.L.R. 1447, 151 A.L.R. 1462, 152 A.L.R. 1459, 154 A.L.R. 1456, 156 A.L.R. 1457, 157 A.L.R. 1456.

Constitutionality of statute providing for payments to public officers or employees who enter the military service of the United States, or to their dependents, 145 A.L.R. 1156.

20 C.J.S. Counties § 103; 62 C.J.S. Municipal Corporations § 502.

### **10-6-2. [Temporary appointments.]**

The officer, agent, employee, board or other agency of the state of New Mexico, or of its departments, agencies, counties, municipalities or political subdivisions, who is by law authorized to fill ordinary vacancies in the public office or employment so temporarily abandoned as provided in Section 1 [10-6-1 NMSA 1978] hereof is hereby authorized, empowered and directed to appoint to the public office or employment, so abandoned as provided in Section 1 hereof, another person who shall receive the salary and perform the duties thereof until, but only until, the former incumbent shall have been relieved from active duty in the armed services and shall have resumed the personal discharge of the duties of such public office or employment.

**History:** 1941 Comp., § 10-339, enacted by Laws 1943, ch. 123, § 2; 1953 Comp., § 5-3-39.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 135, 145, 164, 177 to 179.

67 C.J.S. Officers and Public Employees §§ 74 to 79, 100.

### **10-6-3. [Permanent abandonment of office, what constitutes.]**

Any incumbent of any public office or employment of the state of New Mexico, or of any of its departments, agencies, counties, municipalities or political subdivisions whatsoever, who shall accept any public office or employment, whether within or without the state, other than service in the armed forces of the United States of America, for which a salary or compensation is authorized, or who shall accept private employment for compensation and who by reason of such other public office or employment or private employment shall fail for a period of thirty successive days or more to devote his time to the usual and normal extent during ordinary working hours to the performance of the duties of such public office and employment, shall be deemed to have resigned from and to have permanently abandoned his public office and employment.

**History:** 1941 Comp., § 10-340, enacted by Laws 1943, ch. 123, § 3; 1953 Comp., § 5-3-40.

## ANNOTATIONS

**Factors constituting abandonment.** — It is not only the acceptance of another public office for which a salary or compensation is authorized that will automatically constitute the abandonment of the incumbent's public office; in addition, it must be found that because of such other public office the incumbent fails for 30 successive days or more to devote his time to the usual and normal extent during ordinary working hours to the performance of the duties of such public office. 1964 Op. Att'y Gen. No. 64-73.

**City councilor and county assessor.** — An individual may hold the office of city councilor and county assessor simultaneously, as long as the duties of the two offices do not physically or functionally interfere with one another and are not otherwise incompatible. 2009 Op. Att'y Gen. No. 09-02.

**Offices of mayor and magistrate compatible.** — The office of mayor of an incorporated village and the office of justice of the peace (now magistrate) where the latter's precinct covers said village are not incompatible (rendered prior to 1977 amendment of 10-6-5 NMSA 1978. 1964 Op. Att'y Gen. No. 64-73.

**School superintendent and teacher compatible.** — The office of county school superintendent is compatible with employment as a municipal schoolteacher. Such employment will result in a resignation by operation of law of the office of county school superintendent if it causes the superintendent to fail for 30 successive days to devote full time to his office. Employment as a teacher may also render the superintendent subject to removal from office if it results in the failure, neglect or refusal of the superintendent to discharge any or all of the duties devolving on him by virtue of his office. 1960 Op. Att'y Gen. No. 60-154.

**Assistant superintendent and State Board of Education member.** — An assistant superintendent employed by the Santa Fe school district may also serve as an elected member of the state board of education so long as the duties of membership on the state board do not physically interfere with the duties of the assistant superintendent during the ordinary working hours of that position and the two positions are not otherwise incompatible. 1992 Op. Att'y Gen. No. 92-04.

**Judge and clerk when hours do not conflict are compatible.** — The test of physical incompatibility is a failure by an official for 30 consecutive days to devote his time to the usual and normal extent during ordinary working hours to the performance of the duties of his office. One cannot perform two full-time positions or one full-time position and one part-time position at the same time. Where the individual is serving in the capacity of municipal judge after his working hours as city clerk, there is no physical incompatibility of office. 1968 Op. Att'y Gen. No. 68-111.

**Judge and county maintenance worker.** — If an incumbent could successfully perform his duties as probate judge to the usual and normal extent outside his working

hours at the county maintenance department, or vice versa, the two positions would be compatible under the statutory criteria. 1989 Op. Att'y Gen. No. 89-10.

**Tribal council member and county commissioner.** — A Native American may serve as a tribal council member and as a county commissioner at the same time, as long as his duties as tribal council member do not physically interfere with his duties as county commissioner during the ordinary working hours of that position and the functions of the two positions are not otherwise incompatible. 1990 Op. Att'y Gen. No. 90-14.

**Power to determine and fill vacancy.** — County commissioners have power to determine a vacancy in the office of the justice of the peace (now magistrate) to exist by reason of abandonment by the elected incumbent and to appoint another person to fill the vacancy. 1959 Op. Att'y Gen. No. 59-34.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 100.

#### **10-6-4. [Filling vacancy when office permanently abandoned.]**

The officer, agent, employee, board or other agency of the state, or of its departments, agencies, counties, municipalities or political subdivisions, who is by law authorized to fill ordinary vacancies in the public office or employment so permanently abandoned, as provided in Section 3 [10-6-3 NMSA 1978] hereof, is hereby authorized, empowered and directed to appoint to such public office or employment some qualified person who shall thereafter receive the salary and perform the duties thereof until the expiration of the term of the former incumbent or until his successor shall have been elected, appointed or otherwise chosen and qualified or until the former incumbent shall have been relieved from active duty in the armed services and shall have resumed the personal discharge of the duties of such public office or employment.

**History:** 1941 Comp., § 10-341, enacted by Laws 1943, ch. 123, § 4; 1953 Comp., § 5-3-41.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 74 to 79, 100.

#### **10-6-5. Definition of incompatible office; service and employment.**

Any public office or service, other than service in the armed forces of the United States of America, and any private employment of the nature and extent designated in Section 10-6-3 NMSA 1978 is hereby declared to be incompatible with the tenure of public office or employment.

**History:** 1941 Comp., § 10-342, enacted by Laws 1943, ch. 123, § 5; 1953 Comp., § 5-3-42; Laws 1977, ch. 56, § 1; 1979, ch. 344, § 1.

## ANNOTATIONS

**Schoolteacher.** — The position of schoolteacher is not an office within the meaning of this section. *Amador v. N.M. State Bd. of Educ.*, 1969-NMSC-076, 80 N.M. 336, 455 P.2d 840.

**State board of education member and schoolteacher.** — The state board of education only has jurisdiction over a schoolteacher in the instance where the teacher appeals to that board from an adverse ruling by the local board of education and if a teacher who is also a member of the state board should appeal from the action of the local board, the teacher would simply refrain from acting as a member of the board in his case just as would a member of any other trade or profession who appealed to the board of which he was a member. *Amador v. N.M. State Bd. of Educ.*, 1969-NMSC-076, 80 N.M. 336, 455 P.2d 840.

**Physical incompatibility explained.** — The test of physical incompatibility is a failure by an official for 30 consecutive days to devote his time to the usual and normal extent during ordinary working hours to the performance of the duties of his office. One cannot perform two full-time positions or one full-time position and one part-time position at the same time. Where the individual is serving in the capacity of municipal judge after his working hours as city clerk, there is no physical incompatibility of office. 1968 Op. Att'y Gen. No. 68-111.

**Public school instructors and administrators are state employees** within the constraints of the prohibition against serving in the legislature while receiving compensation as an employee of the state. 1988 Op. Att'y Gen. No. 88-20.

**City counselor and county assessor.** — An individual may hold the office of city councilor and county assessor simultaneously, as long as the duties of the two offices do not physically or functionally interfere with one another and are not otherwise incompatible. 2009 Op. Att'y Gen. No. 09-02.

**Mayor and magistrate.** — The office of mayor of an incorporated village and the office of justice of the peace (now magistrate) where the latter's precinct covers said village are not incompatible (opinion rendered prior to 1977 amendment of 10-6-5 NMSA 1978). 1964 Op. Att'y Gen. No. 64-73.

**Judicial and law enforcement officer.** — Regardless of salary, a judicial officer may never serve as a law enforcement officer in any situation where holding one office may cause some benefit to accrue to the other, or would intrude upon the disinterested and impartial disposition of civil or criminal cases in court. 1960 Op. Att'y Gen. No. 60-168.



**Probate judge and deputy district court clerk.** — A probate judge may be appointed to act as a deputy district court clerk and receive a salary therefor. 1957 Op. Att'y Gen. No. 57-298.

**City clerk and municipal judge.** — No incompatibility of office exists because of inconsistency of functions between the offices of city clerk and municipal judge. 1968 Op. Att'y Gen. No. 68-111.

**Tribal council member and county commissioner.** — A Native American may serve as a tribal council member and as a county commissioner at the same time, as long as his duties as tribal council member do not physically interfere with his duties as county commissioner during the ordinary working hours of that position and the functions of the two positions are not otherwise incompatible. 1990 Op. Att'y Gen. No. 90-14.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Resignation of one office as affecting eligibility to another office during term of former office, 5 A.L.R. 117, 40 A.L.R. 945.

Incompatibility of offices or positions in military service and civil service, 26 A.L.R. 142, 132 A.L.R. 254, 147 A.L.R. 1419, 148 A.L.R. 1399, 150 A.L.R. 1444.

Incompatibility, under common-law doctrine, of office of state legislator and position or post in local political subdivision, 89 A.L.R.2d 632.

67 C.J.S. Officers and Public Employees §§ 27 to 33, 203.

## **10-6-6. [Penalties.]**

It shall be unlawful for any person who has temporarily or permanently abandoned his public office or employment, as herein defined and described, to receive compensation from public money on account of services or periods of time in his or her public office or employment accruing after such temporary or permanent abandonment and, in the case of temporary abandonment as herein defined, before the resumption of such office or employment as described in Section 1 [10-6-1 NMSA 1978] hereof. Any person receiving or paying compensation in violation of this section shall be punished by a fine of not less than two hundred fifty dollars (\$250), nor more than one thousand dollars (\$1,000), or by imprisonment for not more than one year, or by both such fine and imprisonment.

**History:** 1941 Comp., § 10-343, enacted by Laws 1943, ch. 123, § 6; 1953 Comp., § 5-3-43.

## **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 103; 62 C.J.S. Municipal Corporations § 502.

## ARTICLE 7

### Compensation and Working Conditions Generally

#### 10-7-1. [Temporary transfers of employees from one office, department or institution to another.]

The governor is further authorized, subject to the approval of the state board of finance, to transfer, temporarily from one office, department or institution to another office, department or institution, such employees as in his judgment may be necessary or convenient at any time to further the economical and efficient conduct of the state government and without regard to the appropriation out of which such employee may be paid; provided, that the governor shall have the power to designate and employ a personnel director who shall assist him in the performance of the duties imposed upon the governor by the terms of this section.

**History:** Laws 1935, ch 70, § 3; 1941 Comp., § 10-403; Laws 1943, ch. 10, § 3; 1953 Comp., § 5-4-3.

#### ANNOTATIONS

**Compiler's notes.** — Laws 1977, ch. 247, § 6, established the state board of finance, referred to in this section, in connection with the board of finance division of the department of finance and administration. See 6-1-1 NMSA 1978.

**Cross references.** — For causes for removal of local officers, see 10-4-1 NMSA 1978.

For permanent abandonment of office, see 10-6-3 NMSA 1978.

For definition of "incompatible office", see 10-6-5 NMSA 1978.

**Theory of section.** — This section contemplates that a public officer can perform the duties and obligations of any position to which he is temporarily transferred. *State ex rel. Bird v. Apodaca*, 1977-NMSC-110, 91 N.M. 279, 573 P.2d 213.

**State highway engineer is not subject to transfer** provisions of this section. *State ex rel. Bird v. Apodaca*, 1977-NMSC-110, 91 N.M. 279, 573 P.2d 213.

**Meaning of "temporary".** — The word temporary means that which is to last for a limited time only, not of long duration but for a short time. 1957 Op. Att'y Gen. No. 57-94.

**Remuneration when two jobs.** — An employee of the state who is employed by one department on a monthly basis could be entitled to remuneration from a second department or agency of the state if the services are performed at a time which are not

regular working hours of the first department and in a location different from that of the first department. 1958 Op. Att'y Gen. No. 58-16.

**Law reviews.** — For note, "Mandamus Proceedings Against Public Officials: State of New Mexico ex rel. Bird v. Apodaca," see 9 N.M.L. Rev. 195 (1978-79).

## **10-7-2. Salaries and wages; rules; direct deposit.**

A. Persons employed by and on behalf of the state, except those employed by institutions of higher education, including all officers, shall receive their salaries or wages for services rendered in accordance with rules issued by the department of finance and administration.

B. The department of finance and administration may require the automatic direct deposit of a state employee's salary or wages into the employee's account, or into an account established by the department on behalf of the employee, in a financial institution authorized by the United States or one of the several states to receive deposits in the United States. The department of finance and administration shall adopt rules governing the automatic direct deposit of salary or wages. Those rules shall provide the circumstances under which a state employee may, with the approval of the department of finance and administration, withdraw from or elect not to participate in automatic direct deposit.

**History:** Laws 1933, ch. 157, § 1; 1941 Comp., § 10-405; 1953 Comp., § 5-4-5; Laws 1961, ch. 70, § 1; 1975, ch. 128, § 1; 2005, ch. 93, § 1.

### **ANNOTATIONS**

**Cross references.** — For weekly payment for certain public projects, see 13-4-11 NMSA 1978.

**The 2005 amendment,** effective June 17, 2005, added Subsection B to provide that the department of finance and administration may require the automatic direct deposit of state employees' salaries and wages into employee accounts at financial institutions.

**Municipalities not equal to the state for purposes of payment of wages.** — Although a municipality may be an auxiliary of the state government, this relationship does not equate municipalities with the state for purposes of payment of wages and therefore this section is not applicable to municipalities. *Rainaldi v. City of Albuquerque*, 2014-NMCA-112.

**Judgment for damages not within scope.** — This section did not concern judgments for damages for breach of contract awarded to discharge tenured teacher. *Sanchez v. Board of Educ.*, 1969-NMSC-063, 80 N.M. 286, 454 P.2d 768.

**Payment of accrued vacation time upon termination.** — Employees of political subdivisions may, upon termination of their employment, be compensated for their permissible accrued vacation time unless prohibited therefrom by the personnel ordinance or merit system. 1964 Op. Att'y Gen. No. 64-155.

**Payment of vacation time improper.** — Where an employee continues to be employed by a local public body but simply does not take his vacation time, payment therefor is improper. 1964 Op. Att'y Gen. No. 64-155.

**Organization of public employees.** — Public employees are certainly not entitled to the right to strike or to bargain collectively concerning the matters of their employment. The right to organize the public employees should be a matter of consideration for the legislature, and since the New Mexico legislature has not seen fit to grant this right, under the present state of the law, such right of organization is not available to public employees. 1955 Op. Att'y Gen. No. 55-6207.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Validity of statutory classifications based on population, governmental employee salary or pension statutes, 96 A.L.R.3d 538.

81A C.J.S. States § 111.

### **10-7-3. [Inapplicability of act.]**

Nothing in this act [10-7-2, 10-7-3 NMSA 1978] shall apply to those officials or employees receiving their salaries or wages at a time as fixed by any provision of the constitution of the state of New Mexico.

**History:** Laws 1933, ch. 157, § 2; 1941 Comp., § 10-406; 1953 Comp., § 5-4-6.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 228.

### **10-7-4. Group insurance; cafeteria plan; contributions from public funds.**

A. All state departments and institutions and all political subdivisions of the state, excluding municipalities, counties and political subdivisions of the state with twenty-five employees or fewer, shall cooperate in providing group term life, medical or disability income insurance for the benefit of eligible employees or salaried officers of the respective departments, institutions and political subdivisions.

B. The group insurance contributions of the state or any of its departments or institutions, including institutions of higher education, shall be made as follows:

(1) at least seventy-five percent of the cost of the insurance of an employee whose annual salary is less than fifteen thousand dollars (\$15,000);

(2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifteen thousand dollars (\$15,000) or more but less than twenty thousand dollars (\$20,000);

(3) at least sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars (\$20,000) or more but less than twenty-five thousand dollars (\$25,000); and

(4) at least sixty percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars (\$25,000) or more.

C. The group insurance contributions of school districts and charter schools shall be made as follows:

(1) at least eighty percent of the cost of the insurance of an employee whose annual salary is less than fifty thousand dollars (\$50,000);

(2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifty thousand dollars (\$50,000) or more but less than sixty thousand dollars (\$60,000); and

(3) at least sixty percent of the cost of the insurance of an employee whose annual salary is sixty thousand dollars (\$60,000) or more.

D. Effective July 1, 2004, the group insurance contributions of the state or any of its executive, judicial or legislative departments, including agencies, boards or commissions, shall be made as follows; provided that the contribution percentage shall be the same for all affected public employees in a given salary bracket:

(1) up to eighty percent of the cost of the insurance of an employee whose annual salary is less than thirty thousand dollars (\$30,000);

(2) up to seventy percent of the cost of the insurance of an employee whose annual salary is thirty thousand dollars (\$30,000) or more but less than forty thousand dollars (\$40,000); and

(3) up to sixty percent of the cost of the insurance of an employee whose annual salary is forty thousand dollars (\$40,000) or more.

E. Except as provided in Subsection H of this section, effective July 1, 2005, the group insurance contributions of the state or any of its executive, judicial or legislative departments, including agencies, boards or commissions, shall be made as follows;

provided that the contribution percentage shall be the same for all affected public employees in a given salary bracket:

(1) up to eighty percent of the cost of the insurance of an employee whose annual salary is less than fifty thousand dollars (\$50,000);

(2) up to seventy percent of the cost of the insurance of an employee whose annual salary is fifty thousand dollars (\$50,000) or more but less than sixty thousand dollars (\$60,000); and

(3) up to sixty percent of the cost of the insurance of an employee whose annual salary is sixty thousand dollars (\$60,000) or more.

F. Effective July 1, 2013, the employer shall pay one hundred percent of basic life insurance premiums for employees, and employees who choose to carry disability insurance shall pay one hundred percent of the premium.

G. The state shall not make any group insurance contributions for legislators. A legislator shall be eligible for group benefits only if the legislator contributes one hundred percent of the cost of the insurance.

H. An employer shall pay one hundred percent of the employee group insurance contributions due and payable on or after July 1, 2016 for an employee who is injured while performing a public safety function or duty and, as a result of the injury, is placed on approved workers' compensation leave.

I. As used in this section, "cost of the insurance" means the premium required to be paid to provide coverages. Any contributions of the political subdivisions of the state, except the public schools and political subdivisions of the state with twenty-five employees or fewer, shall not exceed sixty percent of the cost of the insurance.

J. When a public employee elects to participate in a cafeteria plan as authorized by the Cafeteria Plan Act [10-7-14 to 10-7-19 NMSA 1978] and enters into a salary reduction agreement with the governmental employer, the provisions of Subsections B through G of this section with respect to the maximum contributions that can be made by the employer are not violated and will still apply. The employer percentage or dollar contributions as provided in Subsections B through E of this section shall be determined by the employee's gross salary prior to any salary reduction agreement.

K. Any group medical insurance plan offered pursuant to this section shall include effective cost-containment measures to control the growth of health care costs. The responsible public body that administers a plan offered pursuant to this section shall report annually by September 1 to appropriate interim legislative committees on the effectiveness of the cost-containment measures required by this subsection.

L. Within available revenue, school districts, charter schools and participating entities pursuant to the Public School Insurance Authority Act [Chapter 22, Article 29 NMSA 1978] may contribute up to one hundred percent of the cost of the insurance of all employees and institutions of higher education may contribute up to eighty percent of the cost of the insurance of all employees.

**History:** Laws 1941, ch. 188, § 1; 1941 Comp., § 10-416; 1953 Comp., § 5-4-12; Laws 1965, ch. 181, § 1; 1969, ch. 86, § 1; 1970, ch. 73, § 1; 1973, ch. 387, § 1; 1981, ch. 151, § 1; 1986, ch. 84, § 1; 1987, ch. 256, § 1; 1987, ch. 289, § 7; 1989, ch. 27, § 1; 1989, ch. 231, § 9; 1991, ch. 191, § 2; 1994, ch. 62, § 18; 1999, ch. 44, § 1; 2003, ch. 412, § 1; 2004, ch. 82, § 1; 2013, ch. 186, § 1; 2016, ch. 39, § 1; 2023, ch. 83, § 1.

## ANNOTATIONS

**Cross references.** — For continuation of group health insurance after retirement or death of insured, see 10-11-121 NMSA 1978.

For state police group life insurance, see 29-2-29 NMSA 1978.

For group life insurance for the corrections department, see 33-1-12 NMSA 1978.

**The 2023 amendment**, effective July 1, 2023, amended the group insurance contributions for school districts and charter schools; in Subsection B, after "higher education", deleted "and the public schools"; added a new Subsection C and redesignated former Subsections C through K as Subsections D through L, respectively; and in Subsection L, after "Public School Insurance Authority Act", added "may contribute up to one hundred percent of the cost of the insurance of all employees".

**The 2016 amendment**, effective July 1, 2016, required affiliated public employers to pay member contributions and group insurance contributions for certain employees who are injured while performing a public safety function and are placed on approved workers' compensation leave; in Subsection A, after "departments, institutions and", added "political"; in Subsection D, added "Except as provided in Subsection G of this section"; and added new Subsection G and redesignated the succeeding subsections accordingly.

**The 2013 amendment**, effective April 5, 2013, changed basic life insurance premiums for employees who carry disability insurance; and added Subsection E.

**The 2004 amendment**, effective May 19, 2004, amended Subsection B to insert "at least" at the beginning of Paragraphs (1) through (4), added Subsections C and D, redesignated former Paragraph (5) of Subsection B as Subsection E, redesignated Subsections C and D as Subsections G and H and added new Subsection I.

**Temporary provisions.** — Laws 2004, ch. 82, § 3 provided that a salary adjustment in January, 2005 shall not reduce the state contributions pursuant to this section even if

the salary adjustment places the employee in a higher salary bracket provided the contribution may be lowered for salary adjustments on and after January 2006.

**The 2003 amendment**, effective July 1, 2003, added Paragraph B(5).

**The 1999 amendment**, effective July 1, 1999, inserted "and political subdivisions of the state with twenty-five employees or fewer" in Subsection A and in the last sentence of Subsection B, and made minor stylistic changes.

**The 1994 amendment**, effective March 4, 1994, added Subsection D.

**The 1991 amendment**, effective April 4, 1991, substituted "excluding municipalities and counties" for "may and, by July 1, 1975" in Subsection A and made a minor stylistic change in Subsection C.

**Constitutionality and effect of section.** — Provision by the state under this section of group or other forms of insurance for the benefit of eligible employees is a valid use of public funds and not a pledge of credit or donation in contravention of the state constitution, since such contribution is in fact an increment to a public employee's salary and is a benefit to the state or its subdivisions through its concomitant effect of attracting and maintaining capable public personnel in public positions. 1964 Op. Att'y Gen. No. 64-83.

**Constitutionality of payments.** — Payments by the state under this section do not violate N.M. Const. art. V, § 12 and are not payments of additional fees or compensation. 1968 Op. Att'y Gen. No. 68-01.

**Objective of section** was to expressly provide authority for the state, state institutions and political subdivisions of the state to make contributions from public funds to pay a portion of the cost of group insurance policies carried for the benefit of their employees up to certain prescribed maximums. Such contributions may be validly made if the amounts contributed by the state employer are kept within the statutory limitation. 1963 Op. Att'y Gen. No. 63-44. See *also* 1963 Op. Att'y Gen. No. 63-25.

**Meaning of "departments".** — The term "departments" as utilized in this section has application to the three basic departments of state government recognized in N.M. Const., art. III, § 1, that is, the legislative, executive and judicial departments. 1963 Op. Att'y Gen. No. 63-44.

**"For the benefit of" construed.** — The words "for the benefit of" the employee should be construed to include an employer's payment toward the premium of a group hospitalization insurance policy which covers both an employee and his or her dependents. 1969 Op. Att'y Gen. No. 69-59.



**Dependents.** — The legislature did not intend to limit this employment benefit to the individual employee regardless of whether or not he had dependents. 1969 Op. Att'y Gen. No. 69-59.

**Payment of retirees health insurance premiums not authorized.** — This section is a general law providing municipalities with the authority to pay health insurance costs for employees and their family members, and does not authorize a municipality to pay a portion of its retirees' health insurance premium costs for its employees who retire under the Public Employee's Retirement Act. 1989 Op. Att'y Gen. No. 89-04.

**District attorney's office covered.** — The district attorney's office is covered under the provisions of this section through Section 10-7-6 NMSA 1978, inclusive. 1959 Op. Att'y Gen. No. 59-106.

**Constables and magistrates.** — Constables and justices of the peace (now magistrates) are not eligible for group insurance as provided by New Mexico statutes. 1959 Op. Att'y Gen. No. 59-42 (rendered prior to 1969 amendment).

**Section applies to cattle sanitary board (now New Mexico livestock board) and constitutes a legal limitation upon the maximum amount of contribution which the board may make in providing funds for group insurance programs covering the board's employees.** 1963 Op. Att'y Gen. No. 63-44.

**Employees of adjutant general's office ineligible.** — Persons employed by the office of the adjutant general of New Mexico in maintenance, technical, clerical and fiscal positions throughout the state of New Mexico who are paid by the federal government, and are participants in the state public employees' retirement association program, are nevertheless not eligible for participation in the state group insurance program. 1964 Op. Att'y Gen. No. 64-97.

**This section does not contemplate voluntary official organizations.** 1957 Op. Att'y Gen. No. 57-41.

**Scope of contribution.** — The contribution provided for in this section applies only to those plans of group insurance or other types of insurance approved by the governing authority of the respective subdivisions and of this state. 1965 Op. Att'y Gen. No. 65-06.

**Computation of contribution.** — It is lawful for governmental units referred to in this section to compute the percentage of their contribution to an employees' group hospitalization plan based upon the entire cost for both individual and dependent coverage. 1969 Op. Att'y Gen. No. 69-59.

**Maximum contribution applies even if additional coverage provided.** — A city may not contribute a greater share of the premium of each policy even if the policy contains coverage enabling the city to make a savings on workmen's compensation insurance. 1963 Op. Att'y Gen. No. 63-25.

**Participation in group insurance programs by school employees is optional** with each individual employee, and such participation may not be required in the absence of assent by each employee. 1963 Op. Att'y Gen. No. 63-100.

**Effect of Public Purchases Act.** — The purchase of group insurance for employees of state agencies must be made in compliance with the Public Purchases Act (now the Procurement Code, 13-1-28 NMSA 1978 et seq.) including the requirement for bids. 1969 Op. Att'y Gen. No. 69-117.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States § 109.

### **10-7-4.1. Children, youth and families department; group life insurance.**

Notwithstanding the provisions of Section 10-7-4 NMSA 1978 and in addition to all other benefits provided juvenile correctional officers and correctional officer specialists, the children, youth and families department shall provide life insurance coverage in the amount of twenty-five thousand dollars (\$25,000) for each juvenile correctional officer and correctional officer specialist, to be paid to his designated beneficiary. The coverage shall include double indemnity provisions for death incurred in the line of duty. The coverage shall be provided by a group term insurance policy, the premium for which shall be paid out of state funds appropriated to the children, youth and families department.

**History:** Laws 1990, ch. 29, § 1; 1992, ch. 57, § 18.

### **ANNOTATIONS**

**Cross references.** — For the children, youth and families department, see 9-2A-1 NMSA 1978 et seq.

For group life insurance for the corrections department, see 33-1-12 NMSA 1978.

**The 1992 amendment,** effective July 1, 1992, substituted "children, youth and families department" for "youth authority" in the section catchline and throughout the section; and inserted "and correctional officer specialists" in the first sentence.

### **10-7-4.2. Group insurance; counties and municipalities; contributions; definition; exemption from state plan.**

A. All municipalities, counties and political subdivisions with twenty-five employees or fewer shall cooperate in providing group term life, medical or disability income insurance for the benefit of eligible employees or salaried officers of the respective departments, institutions and subdivisions.

B. Municipalities, counties and political subdivisions with twenty-five employees or fewer may contribute any amount up to one hundred percent of the cost of the insurance. As used in this section, "cost of the insurance" means the premium required to be paid to provide coverages.

C. When a public employee elects to participate in a cafeteria plan as authorized by the Cafeteria Plan Act [10-7-14 to 10-7-19 NMSA 1978] and enters into a salary reduction agreement with a municipal or county employer, the provisions of Subsection B of this section with respect to the maximum contributions that can be made by the employer are not violated and will still apply. The employer contributions as provided in Subsection B of this section shall be determined by the employee's gross salary prior to any salary reduction agreement.

D. Any group medical insurance plan offered pursuant to this section shall include effective cost-containment measures to control the growth of health care costs. The responsible public body that administers a plan offered pursuant to this section shall report annually by September 1 to appropriate interim legislative committees on the effectiveness of the cost-containment measures required by this subsection.

E. Exempt from the provisions of Section 10-7-4 NMSA 1978 are all municipalities, counties and political subdivisions with twenty-five employees or fewer.

**History:** Laws 1991, ch. 191, § 1; 1994, ch. 62, § 19; 1999, ch. 44, § 2.

### **ANNOTATIONS**

**The 1999 amendment**, effective July 1, 1999, inserted "and political subdivisions with twenty-five employees or fewer" in Subsection A, in the first sentence of Subsection B, and at the end of Subsection E, and made minor stylistic changes.

**The 1994 amendment**, effective March 4, 1994, substituted "departments" for "department" in Subsection A, deleted "percentage or dollar" following "employer" in the last sentence of Subsection C, redesignated former Subsection D as Subsection E, and added Subsection D.

### **10-7-5. [Premiums; deduction from salaries.]**

That said departments and institutions and all political subdivisions of the state shall be authorized to deduct from said employees' salaries, who may elect to be covered by group or other insurance under this act [10-7-4, 10-7-5, 10-7-6 NMSA 1978], for the payment of premiums on said policies of insurance.

**History:** Laws 1941, ch. 188, § 2; 1941 Comp., § 10-417; 1953 Comp., § 5-4-13.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States § 109.

### **10-7-5.1. Local public bodies; group health and group life insurance.**

A. Every local public body that is an affiliated public employer under the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978] and that provides a group health insurance plan to its employees by any method shall offer such insurance to any retiree who was immediately prior to retirement an employee of that affiliated public employer, is a retired member under the Public Employees Retirement Act and upon retirement wishes to continue to be insured under that affiliated public employer's health insurance plan.

B. Every local public body that is an affiliated public employer under the Public Employees Retirement Act and that provides a group life insurance plan to its employees by any method may offer to any employee retiring after July 1, 1990, a life insurance plan to such retiree who was immediately prior to retirement an employee of that affiliated public employer, is a retired member under the Public Employees Retirement Act and upon retirement wishes to be insured under that affiliated public employer's life insurance plan for retirees. Premiums may be paid by deduction from the retirement warrant of the retired employee.

C. Each of those affiliated public employers shall also offer such health insurance to the survivors of individuals who immediately prior to retirement were employees of that affiliated public employer who are survivor pension beneficiaries under the Public Employees Retirement Act and who wish to continue to be insured under that affiliated public employer's health insurance plan upon the employee's death.

**History:** Laws 1989, ch. 347, § 1; 1990, ch. 128, § 1.

#### **ANNOTATIONS**

**Cross references.** — For right of continuation in plan after retirement or death, see 10-11-121 NMSA 1978.

### **10-7-6. [Repeal and saving clause.]**

All acts and parts of acts in conflict herewith, are hereby repealed. Provided that the provisions of this act [10-7-4, 10-7-5, 10-7-6 NMSA 1978] shall not affect any contract of group insurance now maintained or in force; nor shall the provisions of this act repeal, alter or amend any special statute authorizing the carrying of such insurance by the state of New Mexico or any of its departments or the political subdivisions of the state.

**History:** Laws 1941, ch. 188, § 3; 1941 Comp., § 10-418; 1953 Comp., § 5-4-14.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States § 109.

### **10-7-7. [Old-age benefits under Social Security Act.]**

That in the event the government of the United States through amendment of the Social Security Act of the United States and particularly Title 8 thereof or by any other similar law of congress which authorizes or permits the payment by states of [or] their political subdivisions to become employers to the extent that they may cover employees of the respective states and the political subdivisions thereof under Title 8 of the Social Security Act of the United States or any amendment thereto or any other similar act of congress whereby old-age benefits or pensions may be established for said employees; then, and in that event, the state of New Mexico, its departments, municipalities in said state and the political subdivisions of the said state may [be] and hereby are authorized and directed to comply with the provisions of the said act of congress to the extent that all members of state and municipal police forces, and all paid members and employees of municipal fire departments within this state may receive any and all benefits with respect to such old-age benefit or pension provision of said federal law, and the state, its municipalities, and political subdivisions are hereby authorized and directed to pay on account of such employees the rate of tax which said federal law may levy and assess for said purposes, and to withhold and make payments on account of the employee's contributions required by such act of congress pertaining to said employees herein mentioned.

**History:** Laws 1939, ch. 138, § 1; 1941 Comp., § 10-419; 1953 Comp, § 5-4-15.

#### **ANNOTATIONS**

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Compiler's notes.** — Title 8 of the Social Security Act, referred to in this section, was originally codified as 42 U.S.C. §§ 1001 to 1011. These sections have since been repealed and reenacted by the Internal Revenue Codes of 1939, 1954 and 1986. These provisions of the Internal Revenue Code of 1986 are compiled as 26 U.S.C. §§ 3101, 3102, 3111, 3121, 3122, 3501, 3502, 6011, 6071, 6081, 6091, 6205, 6302, 6313, 6413, 6601, 6802, 6803, 7208, 7209, 7509, 7701 and 7805.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare § 28.

### **10-7-8. Annuities and deferred compensation plans; reductions from gross salaries.**

State agencies, state or educational institutions and political subdivisions of the state shall be authorized to enter into salary reduction agreements with their employees for the purpose of purchasing annuity contracts and deferred compensation plans, offered

by insurance companies, banks and savings and loan associations authorized to transact business in New Mexico, when the salary reduction will result in an income tax deferment for the employees under federal law. The salary reduction agreement shall provide that the employer is not liable to the employee in the event the plan provider becomes insolvent or income tax on the salary reductions is not deferred. Such annuity contracts and deferred compensation plans must be approved by the secretary of general services for state agencies and the governing body of political subdivisions for such political subdivisions. State agencies, state or educational institutions and political subdivisions of the state shall further be authorized to deposit or invest funds deducted from an employee's salary or wages pursuant to any such approved deferred compensation plan. Any funds deducted from an employee's salary or wages pursuant to any such deferred compensation plan shall not be subject to any state law regulating or restricting the deposit or investment of public funds.

**History:** 1953 Comp., § 5-4-18, enacted by Laws 1968, ch. 49, § 1; 1977, ch. 65, § 1; 1978, ch 37, § 1; 1981, ch. 155, § 11; 1983, ch. 301, § 20.

## ANNOTATIONS

**Funds credited to employee's deferred account are governed by state laws** relating to the deposit and investment of public funds. 1980 Op. Att'y Gen. No. 80-33.

**Funds not distinguishable from county's public funds.** — Funds credited to an employee's deferred account are owned by the county, are subject to claims of county creditors and are not distinguishable from the public funds of the county. 1980 Op. Att'y Gen. No. 80-33.

**Deducted amounts not wholly exempt from public funds laws.** — The legislature did not, by the 1981 amendment to this section, wholly exempt deducted amounts, which are public funds, from all laws regulating public funds, including the Procurement Code. 1987 Op. Att'y Gen. No. 87-35.

**Agreement with company administering deferred compensation program.** — The public employee's retirement board's administrator's agreement with the company providing professional services by administering and marketing the state's deferred compensation program must be let for proposals pursuant to the Procurement Code, 13-1-28 NMSA 1978 et seq., to the extent the administrator receives as compensation an amount exceeding \$20,000, although the administrator's sole compensation under the contract derives from sales commissions, etc., from the underwriter. 1987 Op. Att'y Gen. No. 87-35.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Income tax: premiums paid by employer for annuity payable to employee as taxable income of latter, 7 A.L.R.2d 766.

Income tax: right of employer to deduct, for income tax purposes, premiums paid on annuity contracts for benefit of employees, 9 A.L.R.2d 280.

67 C.J.S. Officers and Public Employees § 223.

### **10-7-9. Minimum salary rate.**

Every state employee and every person regularly employed at a state educational institution named in Article 12, Section 11 of the New Mexico constitution, except student employees as defined by the board of educational finance, shall receive a salary at a rate equal to at least four hundred dollars (\$400) per month.

**History:** 1953 Comp., § 5-4-51, enacted by Laws 1974, ch. 10, § 2.

### **10-7-10. Accumulated sick leave; payment of certain excess amounts.**

An employee of the state who has accumulated six hundred hours of unused sick leave shall be entitled to be paid for additional unused sick leave at a rate equal to fifty percent of his hourly wage multiplied by the number of hours of unused sick leave over six hundred hours, not to exceed one hundred twenty hours of such sick leave in any one fiscal year. Payment for sick leave as authorized by this section shall be paid only on either the payday immediately following the first full pay period in January or the first full pay period in July. An eligible employee shall notify his agency of his desired payment date and the number of unused sick leave hours he wishes to convert pursuant to this section before payment can be authorized.

**History:** Laws 1983, ch. 150, § 1; 1984, ch. 6, § 1.

### **10-7-11. Accumulated sick leave prior to retirement; payment of certain excess amounts.**

Immediately prior to retirement from state service, an employee of the state who has accumulated six hundred hours of unused sick leave shall be entitled to be paid for additional unused sick leave at a rate equal to fifty percent of his hourly wage multiplied by the number of hours of unused sick leave over six hundred hours, not to exceed four hundred hours of such sick leave.

**History:** Laws 1983, ch. 150, § 2.

### **10-7-12. Government cost savings incentive award.**

A. As used in this section:

(1) "actual cost savings" means realized, not projected, cost savings substantiated by documentation;

(2) "award" means a government cost savings incentive award;

(3) "economy" includes maximizing the purchasing value of public funds;

(4) "efficiency" includes a significant reduction in paperwork and the elimination of unnecessary rules, regulations and procedures; and

(5) "state agency" means any office, department, institution, school district, board, commission, court, district attorney, council or committee of state government which receives appropriations and is authorized expenditures pursuant to a general appropriation act.

B. A state agency may provide an award to any employee whose accomplishment or written suggestion beyond the scope of his responsibility contributes to the efficiency, economy or improvement of agency operations and results in actual cost savings to the agency.

C. An award pursuant to this section shall:

(1) be paid only from actual cost savings;

(2) be paid only on the payday immediately following the first full pay period succeeding the award or immediately prior to separation or transfer from the agency; and

(3) be paid one time based on actual cost savings in an amount not to exceed the lesser of:

(a) two thousand dollars (\$2,000); or

(b) an amount equal to ten percent of the actual cost savings attributable to the employee in the twelve-month period immediately preceding the award or a lesser period preceding the award, if appropriate.

D. Documentation substantiating awards pursuant to this section shall be submitted to the state personnel board which shall, as necessary or appropriate, prescribe regulations and review proposed awards made under this section and procedures used in making the awards to verify the cost savings for which the awards were made.

E. The state personnel board shall report by September 1 of each year to the legislative finance committee all awards paid and savings realized under this act [this section].

**History:** Laws 1986, ch. 39, § 1.

## **ANNOTATIONS**



**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

### **10-7-13. Leave; coordination with workmen's compensation benefits.**

A. Payment of leave-time benefits in excess of an amount which results, when combined with workmen's compensation weekly benefits, in an injured state or university worker receiving in any month more than one hundred percent of that workman's monthly base salary is not permitted; provided that payment of accrued vacation leave time and compensating leave-time benefits may be permitted without regard to this limitation where the workman is finally determined to be permanently totally disabled or resigns his state or university employment.

B. As used in this section:

(1) "leave time" includes time accrued as sick leave, vacation leave and compensating leave; and

(2) "monthly base salary" means the full monthly salary to be paid the employee if he had worked as scheduled for the entire month, as established by the state personnel board's official salary schedule, or the official salary schedule of any state agency or university in effect during the last pay period during which the employee worked, exclusive of all overtime pay and the value of all accrued leave time and all fringe benefits of any kind.

C. The state personnel board shall send a copy of this law to all state agencies and universities which have salaried employees who do not fall under the jurisdiction of the state personnel board.

**History:** Laws 1987, ch. 258, § 1.

### **10-7-14. Short title.**

Sections 1 through 6 [10-7-14 to 10-7-19 NMSA 1978] of this act may be cited as the "Cafeteria Plan Act".

**History:** Laws 1987, ch. 289, § 1.

## **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 450, 451.

67 C.J.S. Officers and Public Employees §§ 223, 248, 249.

## **10-7-15. Definitions.**

As used in the Cafeteria Plan Act [10-7-14 to 10-7-19 NMSA 1978]:

A. "agency" means the state of New Mexico, any of its political subdivisions, tax supported educational institutions or a local public school district;

B. "cafeteria plan" means a written plan as defined in 26 U.S.C. 125 under which all participants are eligible public employees and the participants are allowed to choose among two or more benefits consisting of cash and statutory nontaxable benefits;

C. "eligible public employee" means any public employee who elects to participate in a cafeteria plan as provided in the Cafeteria Plan Act but does not include individuals engaged as independent contractors or whose periods of employment are on an intermittent or irregular basis or who are employed on less than half-time basis unless the individual is employed in a position classified as a job-sharing position;

D. "public employee" means any officer or employee of an agency to whom a salary is paid from public funds for services rendered;

E. "salary reduction agreement" means a written agreement between an eligible public employee and his agency employer whereby the employee agrees to reduce his or her salary by a stated amount or an amount equal to the cost of benefits selected under a cafeteria plan and the agency agrees to contribute that amount to cover the cost of the benefits selected by the eligible public employee; and

F. "statutory nontaxable benefits" means any benefits that are not includable in the gross income of the public employee by reason of an express provision of the Internal Revenue Code, and such benefits may include but not be limited to: group life insurance not exceeding fifty thousand dollars (\$50,000); disability benefits; accident and health plans; group legal services plans and dependent care services.

**History:** Laws 1987, ch. 289, § 2.

### **ANNOTATIONS**

**Cross references.** — For the Internal Revenue Code, see 26 U.S.C. § 1 et seq.

## **10-7-16. Cafeteria plan; optional.**

Notwithstanding any other benefit plan or group insurance plan offered to an eligible public employee, any agency may adopt a cafeteria plan, as defined in 26 U.S.C. 125 et seq. and regulations made thereunder, for the benefit of eligible public employees and their dependents.

**History:** Laws 1987, ch. 289, § 3.

## **10-7-17. Salary reduction agreements.**

A. Contributions to cover the cost of benefits provided under a cafeteria plan authorized by Section 3 [10-7-16 NMSA 1978] of the Cafeteria Plan Act shall be paid by the eligible public employee pursuant to a salary reduction agreement. The agency is authorized to pay part or all of the administrative expenses therefor.

B. The agency may agree with an eligible public employee that the employee's salary payment shall be reduced by an amount equal to the cost of benefits selected and to be paid for by the eligible public employee. Such reduction shall be made pursuant to salary reduction agreements entered into between eligible public employees and the agency.

**History:** Laws 1987, ch. 289, § 4.

## **10-7-18. Status of salary reduction.**

A. The amount by which an eligible public employee's salary is reduced pursuant to a salary reduction agreement shall continue to be included as compensation for the purpose of computing retirement benefits under the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978], the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978] and the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978]; provided this inclusion does not conflict with federal law, including federal regulations, pertaining to the Federal Insurance Contributions Act or to Internal Revenue Code, Section 125 pertaining to cafeteria plans.

B. The amount by which an eligible public employee's salary is reduced pursuant to a salary reduction agreement shall not be considered as gross income for purposes of computing New Mexico income tax, state unemployment tax and state worker's compensation and federal income taxes to be withheld and paid on behalf of the employee.

**History:** Laws 1987, ch. 289, § 5.

### **ANNOTATIONS**

**Cross references.** — For the Federal Insurance Contributions Act, see 26 U.S.C. § 3101 et seq.

For Section 125 of the Internal Revenue Code, see 26 U.S.C. § 125.

## **10-7-19. Applicability to deferred compensation plans.**

The provisions of the Cafeteria Plan Act [10-7-14 to 10-7-19 NMSA 1978] do not apply to deferred compensation plans.

**History:** Laws 1987, ch. 289, § 6.

### **10-7-20. Qualified transportation fringe benefit.**

State agencies, state educational institutions and political subdivisions of the state may offer to their employees a qualified transportation fringe benefit in accordance with Section 132(f) of the Internal Revenue Code of 1986. The qualified transportation fringe benefit may be offered as an employee pretax deduction or an employer-paid benefit or a combination of the two, as determined by the department of finance and administration, the governing authority of an institution or the governing body of a political subdivision of the state.

**History:** Laws 2005, ch. 17, § 1.

### **ANNOTATIONS**

**Cross references.** — For Section 132(f) of the Internal Revenue Code of 1986, see 26 U.S.C, § 132(f)

**Effective dates.** — Laws 2005, ch. 17 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 17, 2005, 90 days after adjournment of the legislature.

### **10-7-21. Undercover agents; life insurance benefits.**

A. The state and any political subdivision of the state shall provide paid life insurance in the amount of at least two hundred fifty thousand dollars (\$250,000) for employees during any period of employment when an employee is working as an undercover agent.

B. As used in this section:

(1) "undercover agent" means a law enforcement officer who is actively involved in the investigation of alleged violations of state or federal law and whose identity as a law enforcement officer is being concealed; and

(2) "law enforcement officer" means a state or municipal police officer, county sheriff, deputy sheriff, conservation officer, motor transportation enforcement officer or other state employee authorized by state law to enforce criminal statutes.

C. The department of public safety shall adopt rules necessary to determine the eligibility of undercover agents for paid life insurance pursuant to Subsection A of this section.

**History:** Laws 2007, ch. 258, § 1.

## ANNOTATIONS

**Cross references.** — For group life insurance continuation for retired officers, see 10-11-121 NMSA 1978.

For state police group life, see 29-2-29 NMSA 1978.

**Effective dates.** — Laws 2007, ch. 258, § 2 made Laws 2007, ch. 258, § 1 effective July 1, 2007.

### **10-7-22. Leave donation policy.**

A. State agencies, political subdivisions and school districts shall implement policies that provide for employees who earn annual or sick leave the opportunity to donate annual or sick leave to another employee for a medical emergency. The policy shall provide:

(1) that a reasonable amount of leave may be donated by an employee annually and that each employee shall maintain a certain minimum amount of leave before making a donation of leave in excess of that amount;

(2) that the donation may be limited to a donation between employees within an organizational unit;

(3) for an application process for donated leave that includes:

(a) a method of soliciting donated leave;

(b) documentation of the identity of the donor and recipient of leave;

(c) a certified document by a health care provider that describes the nature, severity and anticipated duration of the emergency medical condition of the recipient and that includes a statement that the recipient is unable to work all or a portion of the recipient's work hours; and

(d) other information that the employing agency may reasonably require;

(4) that an employee who wishes to request donated leave shall first use all annual, sick and personal day leave that the employee has accrued and any compensatory time due prior to receiving donated leave;

(5) for conversion of the value of the donor's donated leave based on the donor's hourly rate of pay to hours of leave for the recipient based on the recipient's hourly rate of pay; and

(6) that unused donated leave at the end of a medical emergency or when no longer needed shall revert to the donating employees on a prorated basis.

B. To the extent any provision of this section conflicts with a current collective bargaining agreement negotiated pursuant to the Public Employee Bargaining Act [Chapter 10, Article 7E NMSA 1978], the provisions of this section shall not apply.

**History:** Laws 2015, ch. 81, § 1.

### **ANNOTATIONS**

**Effective dates.** — Laws 2015, ch. 81 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 19, 2015, 90 days after the adjournment of the legislature.

## **ARTICLE 7A**

### **Deferred Compensation**

#### **10-7A-1. Short title.**

Sections 1 through 10 [10-7A-1 to 10-7A-10 NMSA 1978] of this act may be cited as the "Deferred Compensation Act".

**History:** Laws 1981, ch. 155, § 1.

### **ANNOTATIONS**

**Compiler's notes.** — "Sections 1 through 10 of this act," referred to in this section, refers to Laws 1981, ch. 155, §§ 1 to 10, which are presently compiled as 10-7A-1, 10-7A-2, 10-7A-4 and 10-7A-6 to 10-7A-10 NMSA 1978.

**Cross references.** — For compensation and working conditions generally, see 10-7-1 NMSA 1978 et seq.

#### **10-7A-2. Definitions.**

As used in the Deferred Compensation Act:

A. "board" means the public employees retirement board;

B. "local public body" means all political subdivisions of the state, their agencies, instrumentalities and institutions;

C. "local public employee" means any officer or employee to whom a local public body pays a salary for services rendered;

D. "deferred compensation carriers" means any corporation, partnership or persons providing administrative, recordkeeping or investment consulting services to participants in deferred compensation plans pursuant to funding agreements; and

E. "state employee" means any officer or employee to whom the state pays a salary for services rendered.

**History:** Laws 1981, ch. 155, § 2; 1985, ch. 161, § 1; 2017, ch. 20, § 1.

## ANNOTATIONS

**The 2017 amendment**, effective June 16, 2017, expanded the definition of "deferred compensation carriers"; in Subsection A, after "public", changed "employees" to "employees"; and in Subsection D, after "partnership or persons", deleted "who provide investment options" and added "providing administrative, recordkeeping or investment consulting services".

### **10-7A-3. Deferred compensation plan; state and local public employees.**

A. After the effective date of the Deferred Compensation Act, the board shall review and approve deferred compensation plans for participation by state and local public employees. A deferred compensation plan shall provide for the method of transfer of funds to a plan through written or electronic salary reduction agreements with state and local public employees and shall provide for deferral of only those salary amounts upon which income taxes are eligible for deferral pursuant to federal law.

B. Compensation deferred under any deferred compensation plan shall be included with current income for purposes of computing retirement contributions and benefits.

C. Amounts by which salary is reduced shall be transmitted to the approved deferred compensation carrier.

D. Local public employees may participate in a deferred compensation plan selected by their local public body employer after it takes formal action conforming to board requirements. If the plan selected is different from the plan approved by the board, the board shall have no responsibility concerning the plan. If the plan selected is that approved by the board pursuant to Section 10-7A-5 NMSA 1978, the provisions of Section 10-7A-8 NMSA 1978 shall apply.

**History:** 1978 Comp., § 10-7A-3, enacted by Laws 1984, ch. 127, § 988.1; 1985, ch. 161, § 2; 2017, ch. 20, § 2.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1984, ch. 127, § 988.1, repealed former 10-7A-3 NMSA 1978, as amended by Laws 1983, ch. 251, § 1, and enacted a new section.

**Compiler's notes.** — The phrase "effective date of the Deferred Compensation Act" means April 6, 1981, the effective date of Laws 1981, ch. 155.

**The 2017 amendment**, effective June 16, 2017, provided for the use of electronic transactions to transfer funds to a deferred compensation plan, and allowed local public body employers to select a deferred compensation plan for local public employees; in the catchline, after "public", deleted "body"; in Subsection A, after "through written", added "or electronic"; in Subsection C, after "shall be transmitted", deleted "to the state treasurer or his designated agent who shall then transfer such amounts directly"; in Subsection D, after "public employees may", deleted "through formal action of their governing boards", after "plan selected by", deleted "such governing board" and added "their local public body employer after it takes formal action conforming to board requirements", after "10-7A-5 NMSA 1978,", deleted "participation by employees of the local public body so selecting is effected pursuant to" and added "the provisions of", and after "10-7A-8 NMSA 1978", added "shall apply".

#### **10-7A-4. Deferred compensation plan; other participants.**

The deferred compensation plan may allow persons other than public employees, who provide services to the state or any local public body, to participate in the plan to the extent permitted by federal law.

**History:** Laws 1981, ch. 155, § 4.

#### **10-7A-5. Deferred compensation plan; approval.**

A. The board shall review proposals providing investment options to participants of a deferred compensation plan submitted by deferred compensation carriers that have been engaged for a minimum of three years in the business of funding public employee deferred compensation plans authorized by 26 U.S.C. Section 457 and approve proposals that are consistent with the goals of providing state or local public employees with an investment that, in the opinion of the board, is safe and will provide a reasonable return to the employees upon their reaching the appropriate age or date at which they may begin receiving funds from the deferred compensation plan.

B. The type of deferred compensation investment options that may be approved include mutual funds, including stock, bond or capital preservation funds or any other investments determined by the board to fulfill the goals of providing viable deferred compensation for state or local public employees.

**History:** 1978 Comp., § 10-7A-5, enacted by Laws 1984, ch. 127, § 988.2; 1985, ch. 161, § 3; 2017, ch. 20, § 3.



## ANNOTATIONS

**Repeals and reenactments.** — Laws 1984, ch. 127, § 998.2, repealed former 10-7A-5 NMSA 1978, as amended by Laws 1983, ch. 251, § 2, and enacted a new section.

**Compiler's notes.** — The "board", referred to in the introductory language in Subsection A, apparently refers to the public employees' retirement board. See 10-7A-2 NMSA 1978 and notes thereto.

**The 2017 amendment**, effective June 16, 2017, expanded investment options for participants of deferred compensation plans; in Subsection A, after "deferred compensation carriers", deleted "which" and added "that", after "Section 457 and approve", deleted "not more than four such", and after "proposals", deleted "which" and added "that"; in Subsection B, deleted Paragraph B(1), deleted the paragraph designation B(2) and in former Paragraph B(2), after "stock", added "bond or capital preservation", after "funds", deleted "and money market funds", deleted Paragraph B(3), deleted the paragraph designation B(4), and in former Paragraph B(4), deleted "other deferred compensation investment options, including those created by the board not requiring funding agreements which deferred compensation carriers, deemed" and added "or any other investments determined".

### **10-7A-6. Deferred compensation plans; investment options.**

The board may select a deferred compensation plan that offers varied investment options to participating employees.

**History:** Laws 1981, ch. 155, § 6; 1985, ch. 161, § 4.

## ANNOTATIONS

**Cross references.** — For types of plans which may be approved, see 10-7A-5 NMSA 1978.

### **10-7A-7. Deferred compensation plan; state tax deferral.**

Income deferred pursuant to the Deferred Compensation Act and any gains arising from such income, shall be subject to New Mexico income tax and other applicable taxes in the same year or years in which the income is subject to federal income tax pursuant to federal law.

**History:** Laws 1981, ch. 155, § 7.

### **10-7A-8. Deferred compensation plan; local public employee participation.**

A. Local public employees shall be eligible to participate in a deferred compensation plan approved by the board upon the filing of a local public body's participation agreement, conforming to board requirements, applicable to its local public employees and such other participants permitted by the plan as the local public body may elect. Such filing shall be made at such dates and places and in such manner as the board requires.

B. A local public body may terminate its local public employees' and other qualified participants' future participation in a board-approved plan any time not less than two years after the date participation has become effective, upon the local public body's filing of written or electronic notice conforming to board requirements.

**History:** Laws 1981, ch. 155, § 8; 1985, ch. 161, § 5; 2017, ch. 20, § 4.

### ANNOTATIONS

**The 2017 amendment**, effective June 16, 2017, revised the process for local public employee participation in a deferred compensation plan; in Subsection A, after "upon the filing of", deleted "the governing authority's written notice" and added "a local public body's participation agreement, conforming to board requirements", after "applicable to", deleted "all the" and added "its", and after "such manner as the board", deleted "determines" and added "requires"; and in Subsection B, after "upon the", deleted "governing authority's" and added "local public body's", after "filing of written", added "or electronic", after "notice", deleted "at such dates and places as the" and added "conforming to", and after "board", deleted "determines" and added "requirements".

### 10-7A-9. Existing deferred compensation plans.

Any state or local public body deferred compensation plan in existence on the effective date of the Deferred Compensation Act shall not be affected and may be made available to employees and other persons of the state agency or local public body which had adopted said deferred compensation plan on the same basis as on the effective date of the Deferred Compensation Act. Funds of existing plans may be invested in all or any combination of the investments set forth in Subsection B of Section 10-7A-5 NMSA 1978.

**History:** Laws 1981, ch. 155, § 9; 1983, ch. 251, § 3.

### ANNOTATIONS

**Compiler's notes.** — The effective date of the Deferred Compensation Act was April 6, 1981.

### 10-7A-10. Expenditure.

Any expenditure necessary to implement the Deferred Compensation Act shall be charged to participating employees or to deferred compensation carriers including those submitting proposals.

**History:** Laws 1981, ch. 155, § 10; 1985, ch. 161, § 6.

## ANNOTATIONS

**Cross references.** — For salary reductions for deferred compensation plans, see 10-7-8 NMSA 1978.

**Agreement with company administering deferred compensation program.** — The public employee's retirement board's administrator's agreement with the company providing professional services by administering and marketing the state's deferred compensation program must be let for proposals pursuant to the Procurement Code, 13-1-28 NMSA 1978 et seq., to the extent the administrator receives as compensation an amount exceeding \$20,000, although the administrator's sole compensation under the contract derives from sales commissions, etc., from the underwriter. 1987 Op. Att'y Gen. No. 87-35.

### **10-7A-11. Rule making; agreements.**

The board may adopt such rules and enter into such agreements as may be necessary to implement the Deferred Compensation Act; provided, however, that any expenditures associated therewith are charged as provided in Section 10-7A-10 NMSA 1978.

**History:** 1978 Comp., § 10-7A-11, enacted by Laws 1985, ch. 161, § 7.

### **10-7A-12. Division of funds as community property; notice requirement.**

A court of competent jurisdiction, solely for the purposes of effecting a division of community property, may provide by appropriate order for a determination and division of a community interest in the deferred compensation plan provided for in the Deferred Compensation Act. Pursuant to such a court order a deferred compensation administrator shall provide notice, within ten days after a participating public employee files an application for a disbursement from the deferred compensation plan, to a former spouse who has a court-determined interest in a participating public employee's deferred compensation plan. The notice shall be sent to the last name and address the former spouse has filed with the administrator of the deferred compensation plan and shall include the schedule for and amounts of the disbursement and the address to which the participating public employee's disbursement will be sent.

**History:** 1978 Comp., § 10-7A-12, enacted by Laws 1991, ch. 22, § 1.

# ARTICLE 7B

## Group Benefits

### 10-7B-1. Short title.

Chapter 10, Article 7B NMSA 1978 may be cited as the "Group Benefits Act".

**History:** Laws 1989, ch. 231, § 1; 2005, ch. 301, § 1; 2005, ch. 305, § 1.

### ANNOTATIONS

**The 2005 amendment**, effective July 1, 2005, added the statutory reference to the act. Laws 2005, ch. 301, § 1 enacted identical amendments to this section. The section was set out as amended by Laws 2005, ch. 305, § 1. See 12-1-8 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees § 450.

67 C.J.S. Officers and Public Employees §§ 248, 249.

### 10-7B-2. Definitions.

As used in the Group Benefits Act:

- A. "committee" means the group benefits committee;
- B. "director" means the director of the risk management division of the general services department;
- C. "employee" means a salaried officer, employee or legislator of the state; a salaried officer or an employee of a local public body; or an elected or appointed supervisor of a soil and water conservation district;
- D. "local public body" means any New Mexico incorporated municipality, county or school district;
- E. "professional claims administrator" means any person or legal entity that has at least five years of experience handling group benefits claims, as well as such other qualifications as the director may determine from time to time with the committee's advice;
- F. "small employer" means a person having for-profit or nonprofit status that employs an average of fifty or fewer persons over a twelve-month period; and

G. "state" or "state agency" means the state of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions.

**History:** Laws 1989, ch. 231, § 2; 2003, ch. 412, § 2; 2005, ch. 301, § 2; 2005, ch. 305, § 2; 2006, ch. 88, § 1.

## ANNOTATIONS

**The 2006 amendment,** effective July 1, 2006, in Subsection C, defined "employee" to include an elected or appointed supervisor of a soil and water conservation district.

**The 2005 amendment,** effective July 1, 2005, added Subsection F to define "small employer".

**The 2003 amendment,** effective July 1, 2003, in Subsection C, substituted "employee or legislator" for "or employee" following "salaried officer", inserted "a salaried officer or employee of" following "state or", and deleted "or both, as the context requires" at the end.

### **10-7B-3. Group benefits committee; created.**

A. The "group benefits committee" is created. The committee shall be composed of nine members as follows:

- (1) one employee of, appointed by the secretary of, each of the two departments of the state, excluding state institutions of higher education, having the largest number of full-time employees;
- (2) the superintendent of insurance or his designee;
- (3) the director of the state personnel office or his designee;
- (4) the executive secretary of the public employees retirement association or his designee;
- (5) the chief financial officer of a state agency or institution, appointed by the governor;
- (6) one employee of a local public body participating in the state group plan, appointed by the governor; and
- (7) two public employees of state agencies, other than those from whom members are appointed pursuant to Paragraphs (1) through (4) of this subsection, appointed by the governor.

B. Members of the committee appointed by the governor or by a department secretary shall serve terms of four years. Vacancies in appointive memberships shall be filled by the appointing authority. An appointive membership shall be deemed vacant when the member ceases to be a public employee or ceases to meet the qualifications for his membership set forth in Subsection A of this section. An appointive membership shall also be deemed vacant when the member fails to attend three consecutive meetings of the committee.

C. A majority of the committee shall constitute a quorum. The members of the committee shall elect annually from among the membership a chairman and vice chairman.

**History:** Laws 1989, ch. 231, § 3.

#### **10-7B-4. Group benefits committee; powers and duties.**

The committee shall:

A. review and advise the director on all group benefits coverages, whether insured or self-insured, included or to be included in the state group plan;

B. review and advise the director on all professional, technical or consulting contracts to be entered into in connection with the state group plan;

C. if insurance is to be purchased through negotiation, pursuant to Subparagraph (a) of Paragraph (1) of Subsection D of Section 6 [10-7B-7 NMSA 1978] of the Group Benefits Act, review and advise the director as to companies and agents to be selected to submit proposals;

D. review and advise the director on rules and regulations relating to group benefits insurance and self-insurance;

E. review and advise the director on selection of an investment advisor for investments of the group self-insurance fund;

F. review and advise the director on guidelines establishing rates for and methods of rating participating state agencies and local public bodies;

G. perform any other duties and exercise any other powers as provided by law; and

H. review any matters specified in this section, which review by the committee shall preempt such review of such matters previously accorded to the risk management advisory board.

**History:** Laws 1989, ch. 231, § 4.

## ANNOTATIONS

**Bracketed material.** — The bracketed reference in Subsection C was inserted by the compiler and is not part of the law. The reference therein to "Section 6 of the Group Benefits Act" is apparently erroneous. The apparent intended reference is to Section 7 of that act, and the bracketed code number inserted following the reference reflects that intended reference.

### **10-7B-5. Administrative costs.**

The director, with the prior approval of the committee, may apportion the costs of employee benefits administration and other employee benefit costs to all participating state agencies and their employees, participating local public bodies and their employees, participating small employers and persons and dependents eligible through the small employer and participating soil and water conservation district supervisors and their covered dependents, whether the plan is insured or self-insured.

**History:** Laws 1989, ch. 231, § 5; 2005, ch. 301, § 3; 2005, ch. 305, § 3; 2006, ch. 88, § 2.

## ANNOTATIONS

**The 2006 amendment,** effective July 1, 2006, added participating soil and water conservation district supervisors and their covered dependents.

**The 2005 amendment,** effective July 1, 2005, provided that the director may apportion costs to participating small employers and persons and dependents eligible through the small employer.

### **10-7B-6. State employees group benefits self-insurance plan; authorization; local public body participation.**

A. The risk management division of the general services department may, with the prior advice of the committee, establish and administer a group benefits self-insurance plan, providing life, vision, health, dental and disability coverages, or any combination of such coverages, for employees of the state and of participating local public bodies. Any such group benefits self-insurance plan shall afford coverage for employees' dependents at each employee's option. Any such group benefits self-insurance plan may consist of self-insurance or a combination of self-insurance and insurance; provided that particular coverages or risks may be fully insured, fully self-insured or partially insured and partially self-insured.

B. The director, with the advice of the committee, shall establish by regulation or letter of administration the types, extent, nature and description of coverages, the eligibility rules for participation, the deductibles, rates and all other matters reasonably

necessary to carry on or administer a group benefits self-insurance plan established pursuant to Subsection A of this section.

C. The contribution of each participating state agency to the cost of any such group benefits self-insurance plan shall not exceed that percentage provided for state group benefits insurance plans as provided by law. The contribution of a participating local public body to the cost of any such group benefits self-insurance plan shall not exceed that percentage provided for local public body group benefits insurance plans as provided by law.

D. Except as provided in Subsection E of this section, public employees' contributions to the cost of any group benefits self-insurance plan may be deducted from their salaries and paid directly to the group self-insurance fund; provided that where risks are insured or reinsured, the director may authorize payment of the costs of such insurance or reinsurance directly to the insurer or reinsurer.

E. A legislator and the legislator's covered dependents and a soil and water conservation district supervisor or the supervisor's covered dependents are eligible to participate in and receive benefits from the group benefits self-insurance plan if the legislator or supervisor pays monthly premiums in amounts that equal one hundred percent of the cost of the insurance. The premiums shall be paid directly to the group self-insurance fund; provided that where risks are insured or reinsured, the director may authorize payment of the premiums directly to the insurer or reinsurer.

F. Local public bodies and state agencies that are not participating in the state group benefits insurance plan or self-insurance plan may elect to participate in any group benefits self-insurance plan established pursuant to Subsection A of this section by giving written notice to the director on a date set by the director, which date shall not be later than ninety days prior to the date participation is to begin. The director shall determine an initial rate for the electing entity in accordance with a letter of administration setting forth written guidelines established by the director with the committee's advice. The initial rate shall be based on the claims experience of the electing entity's group for the three immediately preceding continuous years. If three years of continuous experience is not available, a rate fixed for the entity by the director with the committee's advice shall apply, and the electing entity's group shall be ratered on the first premium anniversary following the date one full year of experience for the group becomes available. Any such election may be terminated effective not earlier than June 30 of the third calendar year succeeding the year in which the election became effective or on any June 30 thereafter. Notice of termination shall be made in writing to the director not later than April 1 immediately preceding the June 30 on which participation will terminate. A reelection to participate in the plan following a termination may not be made effective for at least three full years following the effective date of termination.

G. As soon as practicable, the director with the committee's advice shall establish an experience rating plan for state agencies and local public bodies participating in any



group benefits self-insurance plan created pursuant to Subsection A of this section. Rates applicable to state agencies and participating local public bodies shall be based on such experience rating plan. Any such experience rating plan may provide separate rates for individual state agencies and individual local public bodies or for such other experience centers as the director may determine.

**History:** Laws 1989, ch. 231, § 6; 2003, ch. 412, § 3; 2006, ch. 88, § 3.

## **ANNOTATIONS**

**The 2006 amendment,** effective July 1, 2006, in Subsection E, added a soil and water conservation district supervisor and the supervisor's covered dependents.

**The 2003 amendment,** effective July 1, 2003, added "Except as provided in Subsection E of this section" at the beginning of Subsection D; added Subsection E; redesignated former Subsections E and F as Subsections F and G; and substituted "group benefits self-insurance plan" for "group self-insurance plan" throughout the section.

### **10-7B-6.1. Small employer health care coverage.**

A. The director may enter into an agreement with a small employer to voluntarily purchase health care coverage offered pursuant to the Group Benefits Act for persons and dependents eligible through the small employer.

B. The director may enter into agreements with an association, cooperative or mutual alliance representing small employers to provide outreach and assistance for small employers to voluntarily purchase health care coverage offered pursuant to the Group Benefits Act for persons and dependents eligible through the small employer.

C. The director shall only permit voluntary purchase of health care coverage by small employers if the small employer has not offered health care coverage to persons and dependents eligible through a small employer for a period of at least twelve months prior to enrollment in the coverage offered pursuant to the Group Benefits Act; provided, however, that the waiting period in this subsection shall not apply to a person having nonprofit status that employs an average of fifty or fewer persons over a twelve-month period.

D. A separate account shall be maintained for small employers that voluntarily elect to purchase health care coverage offered pursuant to the Group Benefits Act to provide separate accounting, payment and private funding of health care coverage for small employers. The funds in the small employers account shall be maintained separately in actuarially sound condition as evidenced by an annual written certification of a qualified actuary, including verification that the premiums charged are actuarially sound in relation to the benefits provided. This certification shall be filed with the superintendent of insurance.

**History:** Laws 2005, ch. 301, § 4; 2005, ch. 305, § 4; 2007, ch. 111, § 1.

## **ANNOTATIONS**

**Repeals.** — Laws 2005, ch. 305, § 8 repealed Laws 2005, ch. 305, § 4, effective July 1, 2010.

**The 2007 amendment,** effective June 15, 2007, in Subsection C, eliminated the waiting period for a person who has a nonprofit status that employs an average of fifty or fewer persons over a twelve-month period.

Laws 2007, ch. 111, § 1 also reconciled the multiple enactments of this section by Laws 2005, ch. 301, § 4 and Laws 2005, ch. 305, § 4.

**2005 amendments.** — Laws 2005, ch. 301, § 4 and Laws 2005, ch. 305, § 4, effective July 1, 2005, enacted identical new sections except for the last two sentences of Subsection D.

**Temporary provisions.** — Laws 2005, ch. 305, § 7, effective July 1, 2005, provided that by January 1, 2010, the superintendent of insurance shall promulgate rules to allow participating small employers and persons and dependents eligible pursuant to this act to participate in the coverage afforded pursuant to the Health Insurance Alliance Act and recommend statutory changes to the Health Insurance Alliance Act as may be needed.

### **10-7B-7. Group self-insurance fund created.**

A. The "group self-insurance fund" is created. The fund and any income produced by the fund shall be held in trust for the benefit of participating state agencies and their employees and local public bodies and their employees, deposited in a segregated account and invested by the director with the advice of the committee. Money in the fund shall be used solely for the purposes of the fund and shall not be used to pay any general or special obligation or debt of the state, other than as authorized by this section. Balances in the fund in excess of amounts needed for the purposes of the fund shall not be used to pay dividends or refunds, however described, to individual public employees or their dependents, but may be used, in the director's discretion, to reduce future contributions, to provide additional benefits or as a reserve to stabilize premiums.

B. The fund shall consist of money appropriated to the fund, income from investment of the fund, employers' contributions, employees' contributions, insurance or reinsurance proceeds and other funds received by gift, grant, bequest or otherwise for deposit in the fund, including but not limited to refunds of amounts from prior state group life, vision, dental, health and disability insurance plans, all of which are hereby appropriated to and for the purposes of the fund.

C. Disbursements from the fund shall be made by warrant signed by the secretary of finance and administration upon vouchers signed by the director. Lump sum disbursements from the fund may be advanced, in the manner described in this subsection, to a professional claims administrator to be used to pay benefits. Such lump sum disbursements may be made not more than weekly in advance. The administrator shall keep any such lump sum advance in a segregated account and shall hold the advance in trust for the benefit of participating employees. On or before the last day of each month, the administrator shall prepare a request for replenishment of the lump sum disbursement in the amount actually paid out for benefits during the month. Not more than thirty days after the last day of each month, the administrator shall make and submit to the director a detailed report of expenditures of any such lump sum advance during the month.

D. Money in the fund may be used by and is hereby appropriated to the risk management division of the general services department:

(1) to purchase life, vision, health, dental and disability insurance, or any combination of these, for state and local public body employees participating in the group self-insurance plan and their covered dependents, from an insurance company determined to be the best responsible bidder, as defined in the Procurement Code [13-1-28 to 13-1-199 NMSA 1978], after:

(a) requesting sealed proposals from three or more insurance agents licensed in New Mexico; or

(b) requesting sealed proposals in accordance with the provisions of the Procurement Code;

(2) to contract with and pay one or more professional claims administrators;

(3) to contract with and pay private attorneys or law firms for advice and for defense of contested claims determinations;

(4) to contract with and pay qualified independent actuaries, financial auditors and claims management and procedures auditors;

(5) to contract with and pay consultants, financial advisors and investment advisors for independent consulting and advice;

(6) to pay reasonable investment commissions and expenses;

(7) to make lump sum advances to any person or firm acting as a professional claims administrator, such advances to be used exclusively to pay benefits to participating employees;

(8) to pay benefits to or for participating employees and their dependents;

(9) to pay any other costs and expenses incurred in carrying out this section;  
and

(10) as otherwise provided by law.

E. The fund shall be maintained in actuarially sound condition as evidenced by the annual written certification of an actuary qualified for such work that as of June 30 of the current year the fund was actuarially sound.

F. Annually on or before January 15, the director shall submit to the legislature a report on any group self-insurance plan created pursuant to Subsection A of Section 5 [10-7B-6 NMSA 1978] of the Group Benefits Act, a financial audit of the fund and a claims management and procedures audit by a qualified claims auditor for the one-year period ending on June 30 immediately preceding the report. With respect to claims files, the claims audit may, in the director's discretion, be limited to a random sampling.

**History:** Laws 1989, ch. 231, § 7.

## ANNOTATIONS

**Bracketed material.** — The bracketed material in Subsection F was inserted by the compiler and is not part of the law. The reference to "Section 5 of the Group Benefits Act" is apparently erroneous. The apparent intended reference is to Section 6 of that act, and the bracketed code number inserted following the reference reflects that intended reference.

### **10-7B-8. Group self-insurance fund; investment.**

A. In making investments of the fund, the director shall consider the relative safety of the investment and the need for liquidity in the fund, as well as the income to be produced. No investment of the fund shall have a maturity date, or similar date before which it may not be liquidated for cash without penalty, premium, deduction, surcharge or interest rate decrease, later than one year from the date of purchase.

B. The director may seek such investment advice as he deems proper. State agencies with investment expertise, including but not limited to the state treasurer, the state investment council, the state investment officer and the state board of finance, shall cooperate in providing investment advice upon the director's request. The director may contract with an investment advisor and pay him from the fund. Any such investment advisor shall have at least a bachelor's degree in economics, accounting, business administration or a related field from an accredited college or university and shall have at least five years of experience as an investment advisor or as a funds investment manager or a combination of both.

C. Any commission paid for the purchase or sale of any securities pursuant to this section shall be reasonable and shall not exceed the brokerage rate for such transaction charged at the time of purchase or sale by national brokerage firms.

D. Investment of the fund shall be made with the exercise of that degree of judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

E. Securities purchased from the fund shall be held in the custody of the state treasurer. At the director's direction, the state treasurer shall deposit the securities with a bank or trust company for safekeeping or servicing.

F. The director may delegate his investment authority to the state treasurer, who shall make investments or reinvestments of the fund in accordance with this section.

**History:** Laws 1989, ch. 231, § 8.

## **ARTICLE 7C**

### **Retiree Health Care**

#### **10-7C-1. Short title.**

Sections 1 through 16 [10-7C-1 to 10-7C-16 NMSA 1978] of this act may be cited as the "Retiree Health Care Act".

**History:** Laws 1990, ch. 6, § 1.

#### **ANNOTATIONS**

**Compiler's notes.** — The Retiree Health Care Act was enacted by Laws 1990, ch. 6, §§ 1 to 16 and codified as 10-7C-1 to 10-7C-16 NMSA 1978. Laws 2002, ch. 75, §§ 2 to 4 and Laws 2002, ch. 80, §§ 2 to 4 enacted identical sections which were codified as 10-7C-17 [repealed], 10-7C-18 [repealed] and 10-7C-19 NMSA 1978 [repealed]. These sections were enacted as part of the Retiree Health Care Act.

#### **10-7C-2. Purpose of act.**

The purpose of the Retiree Health Care Act is to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or out-of-pocket payments of insureds.

**History:** Laws 1990, ch. 6, § 2.

### **10-7C-3. Legislative findings and declaration of policy.**

A. The legislature finds and declares that public employees face a severe problem in securing continuing medical insurance when they retire. Medical care inflation has far exceeded the general inflation rate for the past decade. It is expected that at least some of the factors that have contributed to this phenomenon will continue into the foreseeable future. As the public employee population grows older, the ratio of retirees to active employees is expected to continue to rise. This factor will be exacerbated as the life expectancy of the aged improves and the post-world war two generation approaches retirement age. Financial problems faced by the federal medicare system are becoming more serious, and it is apparent that there will be attempts to shift those costs to the public employer and employee. More such cost shifting is likely, and one of the purposes of the Retiree Health Care Act is, within the constraints of what can be afforded by the taxpayers, to alleviate this burden on the retiree as much as possible.

B. The legislature further finds and declares that the public employees covered by the Retiree Health Care Act have entered into public employment in circumstances where they have received in exchange for their services a present salary and an expectation of receiving a future stream of benefits, including payment of certain retirement benefits. The legislature declares that the expectation of receiving future benefits may be modified from year to year in order to respond to changing financial exigencies, but that such modification must be reasonably calculated to result in the least possible detriment to the expectation and to be consistent with any employer-employee relationship established to meet that expectation. The legislature does not intend for the Retiree Health Care Act to create trust relationships among the participating employees, retirees, employers and the authority administering the Retiree Health Care Act nor does the legislature intend to create contract rights which may not be modified or extinguished in the future; rather the legislature intends to create, through the Retiree Health Care Act, a means for maximizing health care services returned to the participants for their participation under the Retiree Health Care Act.

C. The legislature further finds and declares that nothing in the Retiree Health Care Act shall prohibit the legislature from increasing or decreasing participating employer and employee contributions, eligible retiree premiums or group health insurance coverages or plans, and that participation in the Retiree Health Care Act by retired and active public employees shall not be construed to establish rights between the retired and active public employees and the state for health care benefits which cannot be modified or extinguished in the future to meet changes in economic or social conditions.

D. The legislature further finds and declares that the health care coverage provided under the Retiree Health Care Act shall constitute a state group health insurance plan, separate subsequent state group health insurance plan, state group insurance plan, separate subsequent state group insurance plan, state medical group insurance plan

and separate subsequent state medical group insurance plan for the purposes of Sections 10-11-121, 10-12-15, 10-12A-11 and 22-11-41 NMSA 1978.

E. The legislature further finds and declares that participation of current retirees in the Retiree Health Care Act is predicated on State ex rel. Hudgins v. Public Employees Retirement Board 58 N.M. 543, 273 P.2d 543 [743] (1954); the additional monthly participation fee to be paid by current retirees as a condition of participation in the Retiree Health Care Act is in lieu of the lump-sum consideration paid by the retirees who were the relators in that case.

**History:** Laws 1990, ch. 6, § 3.

## ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Compiler's notes.** — Sections 10-12-15 and 10-12A-11 NMSA 1978, referred to in Subsection D, were repealed by Laws 1992, ch. 111, § 23 and Laws 1992, ch. 118, § 20, respectively. For present comparable provisions, see 10-12B-16 and 10-12C-15 NMSA 1978, respectively.

Section 22-11-41 NMSA 1978, referred to in Subsection D, was repealed in 1993.

### 10-7C-4. Definitions.

As used in the Retiree Health Care Act:

A. "active employee" means an employee of a public institution or any other public employer participating in either the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978], the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978], the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978], the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978] or the Public Employees Retirement Reciprocity Act [Chapter 10, Article 13A NMSA 1978] or an employee of an independent public employer;

B. "authority" means the retiree health care authority created pursuant to the Retiree Health Care Act;

C. "basic plan of benefits" means only those coverages generally associated with a medical plan of benefits;

D. "board" means the board of the retiree health care authority;

E. "current retiree" means an eligible retiree who is receiving a disability or normal retirement benefit under the Educational Retirement Act, the Public Employees

Retirement Act, the Judicial Retirement Act, the Magistrate Retirement Act, the Public Employees Retirement Reciprocity Act [Chapter 10, Article 13A NMSA 1978] or the retirement program of an independent public employer on or before July 1, 1990;

F. "eligible dependent" means a person obtaining retiree health care coverage based upon that person's relationship to an eligible retiree as follows:

(1) a spouse;

(2) a child under the age of twenty-six who is:

(a) a natural child;

(b) a legally adopted child;

(c) a stepchild living in the same household who is primarily dependent on the eligible retiree for maintenance and support;

(d) a child for whom the eligible retiree is the legal guardian and who is primarily dependent on the eligible retiree for maintenance and support, as long as evidence of the guardianship is evidenced in a court order or decree; or

(e) a foster child living in the same household;

(3) a dependent child over twenty-six who is wholly dependent on the eligible retiree for maintenance and support and who is incapable of self-sustaining employment by reason of intellectual disability or physical handicap; provided that proof of incapacity and dependency shall be provided within thirty-one days after the child reaches the limiting age and at such times thereafter as may be required by the board;

(4) a surviving spouse defined as follows:

(a) "surviving spouse" means the spouse to whom a retiree was married at the time of death; or

(b) "surviving spouse" means the spouse to whom a deceased vested active employee was married at the time of death; or

(5) a surviving dependent child who is the dependent child of a deceased eligible retiree and whose other parent is also deceased;

G. "eligible employer" means either:

(1) a "retirement system employer", which means an institution of higher education, a school district or other entity participating in the public school insurance authority, a state agency, state court, magistrate court, municipality, county or public



entity, each of which is affiliated under or covered by the Educational Retirement Act, the Public Employees Retirement Act, the Judicial Retirement Act, the Magistrate Retirement Act or the Public Employees Retirement Reciprocity Act; or

(2) an "independent public employer", which means a municipality, county or public entity that is not a retirement system employer;

H. "eligible retiree" means:

(1) a "nonsalaried eligible participating entity governing authority member", which means a person who is not a retiree and who:

(a) has served without salary as a member of the governing authority of an employer eligible to participate in the benefits of the Retiree Health Care Act and is certified to be such by the executive director of the public school insurance authority;

(b) has maintained group health insurance coverage through that member's governing authority if such group health insurance coverage was available and offered to the member during the member's service as a member of the governing authority; and

(c) was participating in the group health insurance program under the Retiree Health Care Act prior to July 1, 1993; or

(d) notwithstanding the provisions of Subparagraphs (b) and (c) of this paragraph, is eligible under Subparagraph (a) of this paragraph and has applied before August 1, 1993 to the authority to participate in the program;

(2) a "salaried eligible participating entity governing authority member", which means a person who is not a retiree and who:

(a) has served with salary as a member of the governing authority of an employer eligible to participate in the benefits of the Retiree Health Care Act;

(b) has maintained group health insurance through that member's governing authority, if such group health insurance was available and offered to the member during the member's service as a member of the governing authority; and

(c) was participating in the group health insurance program under the Retiree Health Care Act prior to July 1, 1993; or

(d) notwithstanding the provisions of Subparagraphs (b) and (c) of this paragraph, is eligible under Subparagraph (a) of this paragraph and has applied before August 1, 1993 to the authority to participate in the program;

(3) an "eligible participating retiree", which means a person who:

(a) falls within the definition of a retiree, has made contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires on or before July 1, 1995, in which event the time period required for employee and employer contributions shall become the period of time between July 1, 1990 and the date of retirement, and who is certified to be a retiree by the educational retirement director, the executive secretary of the public employees retirement board or the governing authority of an independent public employer;

(b) falls within the definition of a retiree, retired prior to July 1, 1990 and is certified to be a retiree by the educational retirement director, the executive secretary of the public employees retirement association or the governing authority of an independent public employer; but this paragraph does not include a retiree who was an employee of an eligible employer who exercised the option not to be a participating employer pursuant to the Retiree Health Care Act and did not after January 1, 1993 elect to become a participating employer; unless the retiree: 1) retired on or before June 30, 1990; and 2) at the time of retirement, did not have a retirement health plan or retirement health insurance coverage available from the retiree's employer; or

(c) is a retiree who: 1) was at the time of retirement an employee of an eligible employer who exercised the option not to be a participating employer pursuant to the Retiree Health Care Act, but which eligible employer subsequently elected after January 1, 1993 to become a participating employer; 2) has made contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires prior to the eligible employer's election to become a participating employer or less than five years after the date participation begins when the participation date begins before July 1, 2009, in which event the time period required for employee and employer contributions shall become the period of time, if any, between the date participation begins and the date of retirement or when the participation date begins on or after July 1, 2009, in which event the person and employer shall contribute to the fund an amount equal to the full actuarial present value of the accrued benefits as determined by the authority; and 3) is certified to be a retiree by the educational retirement director, the executive director of the public employees retirement board or the governing authority of an independent public employer;

(4) a "legislative member", which means a person who is not a retiree and who served as a member of the New Mexico legislature for at least two years, but is no longer a member of the legislature and is certified to be such by the legislative council service; or

(5) a "former participating employer governing authority member", which means a person, other than a nonsalaried eligible participating entity governing authority member or a salaried eligible participating entity governing authority member, who is not a retiree and who served as a member of the governing authority of a participating employer for at least four years but is no longer a member of the governing

authority and whose length of service is certified by the chief executive officer of the participating employer;

I. "fund" means the retiree health care fund;

J. "group health insurance" means coverage that includes but is not limited to life insurance, accidental death and dismemberment, hospital care and benefits, surgical care and treatment, medical care and treatment, dental care, eye care, obstetrical benefits, prescribed drugs, medicines and prosthetic devices, medicare supplement, medicare carveout, medicare coordination and other benefits, supplies and services through the vehicles of indemnity coverages, health maintenance organizations, preferred provider organizations and other health care delivery systems as provided by the Retiree Health Care Act and other coverages considered by the board to be advisable;

K. "ineligible dependents" includes:

- (1) those dependents created by common law relationships;
- (2) dependents while in active military service;
- (3) parents, aunts, uncles, brothers, sisters, grandchildren and other family members left in the care of an eligible retiree without evidence of legal guardianship; and
- (4) anyone not specifically referred to as an eligible dependent pursuant to the rules adopted by the board;

L. "participating employee" means an employee of a participating employer, which employee has not been expelled from participation in the Retiree Health Care Act pursuant to Section 10-7C-10 NMSA 1978;

M. "participating employer" means an eligible employer who has satisfied the conditions for participating in the benefits of the Retiree Health Care Act, including the requirements of Subsection M of Section 10-7C-7 NMSA 1978 and Subsection D or E of Section 10-7C-9 NMSA 1978, as applicable;

N. "public entity" means a flood control authority, economic development district, council of governments, regional housing authority, conservancy district or other special district or special purpose government; and

O. "retiree" means a person who:

- (1) is receiving:

(a) a disability or normal retirement benefit or survivor's benefit pursuant to the Educational Retirement Act;

(b) a disability or normal retirement benefit or survivor's benefit pursuant to the Public Employees Retirement Act, the Judicial Retirement Act, the Magistrate Retirement Act or the Public Employees Retirement Reciprocity Act; or

(c) a disability or normal retirement benefit or survivor's benefit pursuant to the retirement program of an independent public employer to which that employer has made periodic contributions; or

(2) is not receiving a survivor's benefit but is the eligible dependent of a person who received a disability or normal retirement benefit pursuant to the Educational Retirement Act, the Public Employees Retirement Act, the Judicial Retirement Act, the Magistrate Retirement Act or the Public Employees Retirement Reciprocity Act.

**History:** Laws 1990, ch. 6, § 4; 1993, ch. 362, § 1; 1998, ch. 45, § 1; 2003, ch. 85, § 1; 2005, ch. 86, § 1; 2009, ch. 288, § 2; 2021, ch. 23, § 1.

## ANNOTATIONS

**The 2021 amendment**, effective July 1, 2021, revised the definition of "eligible dependent" as used in the Retiree Health Care Act; and in Subsection F, Paragraph F(2), preceding "child", deleted "an unmarried" and added "a", and after "age of", changed "nineteen" to "twenty-six", deleted former Paragraph F(3) and redesignated former Paragraphs F(4) through F(6) as Paragraphs F(3) through F(5), respectively, and in Paragraph F(3), after "dependent child over", changed "nineteen" to "twenty-six", and after "employment by reason of", deleted "mental retardation" and added "intellectual disability".

**The 2009 amendment**, effective July 1, 2009, in Subparagraph (c) of Paragraph (3) of Subsection H, in Item 2), added "prior to the eligible employer's election to become a participating employer or"; added "when the participation date begins before July 1, 2009"; and before Item 3), added new language.

**The 2005 amendment**, effective July 1, 2005, added the definition of "former participating employer governing authority member" in Subsection H(5).

**The 2003 amendment**, effective July 1, 2003 in Subsection H(1)(d) and Subsection H(2)(d) deleted "if a person eligible under Subparagraph (a) of this paragraph applies before August 1, 1993 to the authority to participate in the program, then he will be eligible to participate" at the beginning and inserted "is eligible under Subparagraph (a) of this paragraph and has applied before August 1, 1993 to the authority to participate in the program" at the end; substituted "director" for "secretary" following "executive" near the end of Subsection H(3)(c); added Subsection H(4); deleted "but are not limited to" at

the end of the first paragraph of Subsection K; and deleted "or G" following "D or E" near the end of Subsection M.

**The 1998 amendment**, effective May 20, 1998, in Subsection A, deleted "or" following "Act", inserted "or the Public Employees Retirement Reciprocity Act or an employee of an independent public employer"; in Subsection D, deleted "governing" preceding "board"; in Subsection E, substituted "the Public Employees Retirement Reciprocity Act" for "the Retirement Reciprocity Act, the Judicial Retirement Reciprocity Act"; in Paragraph G(1), deleted "or" preceding "county", inserted "or public entity", deleted "or" following "Act", inserted "or the Public Employees Retirement Reciprocity Act"; in Paragraph G(2), deleted "or" preceding "county", inserted "or public entity" and substituted "that" for "which"; in Paragraph H(3)(c), inserted "to"; in Subsection L, deleted "Subsection F of Section 10-7C-9 NMSA 1978 or" preceding "Section"; in Subsection M, substituted ", " for "or" and inserted "or G"; added a new Subsection N and renumbered the remaining Subsections accordingly; in Subparagraph M(1)(b), substituted "or the Public Employees Retirement Reciprocity Act" for "the Retirement Reciprocity Act or the Judicial Retirement Reciprocity Act"; and in Paragraph M(2), deleted "or" following "Act" and inserted "the Judicial Retirement Act, the Magistrate Retirement Act or the Public Employees Retirement Reciprocity Act".

**The 1993 amendment**, effective June 18, 1993, in Subsection F, substituted "or" for "and" at the end of Subparagraph (d) of Paragraph (2) and Subparagraph (b) of Paragraph (5); in Subsection H, subdivided Paragraphs (1) and (2), adding Subparagraphs (c) and (d) to each paragraph and making related grammatical changes, inserted "who is not a retiree and" in the introductory language in both paragraphs, added the language beginning "if such group health insurance coverage" to the end of Subparagraph (b) of Paragraph (1), deleted language relating to contributions made at least five years prior to retirement from the end of Subparagraph (a) of Paragraph (2), added the language beginning "if such group health insurance was available" to the end of Subparagraph (b) of Paragraph (2), added the language beginning "but this paragraph" to the end of Subparagraph (b) of Paragraph (3), and added Subparagraph (c) to Paragraph (3), making a related grammatical change; deleted "and" from the end of Subsection K; substituted "10-7C-9 NMSA 1978 or Section 10-7C-10 NMSA 1978" for "9 or Section 10 of the Retiree Health Care Act" in Subsection L; substituted "10-7C-7 NMSA 1978 and Subsection D or E of Section 10-7C-9 NMSA 1978, as applicable and" for "7 and Subsection E of Section 9 of the Retiree Health Care Act" in Subsection M; redesignated the provisions of Subsection N as Paragraph (1) with subparagraphs; added Paragraph (2) to Subsection N; and made stylistic changes in Subsections F and H.

### **10-7C-5. Authority created.**

There is created the "retiree health care authority", which is established to provide for comprehensive group health insurance programs under the Retiree Health Care Act.

**History:** Laws 1990, ch. 6, § 5; 2002, ch. 75, § 1; 2002, ch. 80, § 1; 2021, ch. 23, § 2.

## ANNOTATIONS

**The 2021 amendment**, effective July 1, 2021, simplified the description of the retiree health care authority, removed outdated provisions related to the retiree health care authority, and removed a provision requiring the retiree health care authority to administer the senior prescription drug plan; deleted "The authority shall be administratively attached to the public school insurance authority until December 31, 1993. The director of the public school insurance authority shall be the executive director of the retiree health care authority until December 31, 1993. The board created by Section 10-7C-6 NMSA 1978 shall remain fully independent of the board of the public school insurance authority."; and deleted former Subsection B, which required the retiree health care authority to administer the senior prescription drug program.

**The 2002 amendment**, effective May 15, 2002, added Subsection B.

Laws 2002, ch. 75, § 1 and Laws 2002, ch. 80, § 1, both effective May 15, 2002, enacted identical amendments to this section. The section was set out as amended by Laws 2002, ch. 80, § 1. See 12-1-8 NMSA 1978.

**State agency.** — The retiree health care authority is a state agency and thus is subject to the various regulatory provisions that apply to state agencies absent express statutory exemptions. 1991 Op. Att'y Gen. No. 91-06.

**Records retention.** — As a state agency, the retiree health care authority is subject to record retention regulations adopted by the state commission of public records pursuant to 14-3-4 NMSA 1978. 1991 Op. Att'y Gen. No. 91-06.

**State Rules Act.** — Retiree health care authority (RHCA) is not excluded from the State Rules Act (Sections 14-4-1 to 14-4-9 NMSA 1978); therefore, the RHCA must file its rules with the Records Center. 1991 Op. Att'y Gen. No. 91-06.

**Information systems.** — Retiree health care authority (RHCA) is not excluded from the provisions of the Information Systems Act [now repealed]. Therefore, the RHCA's purchases of computer software and hardware and its information systems plan are subject to approval by the Information Systems Council. 1991 Op. Att'y Gen. No. 91-06.

**Contracts of authority.** — The retiree health care authority is a state agency and the professional service contracts it enters into are therefore governed by Section 13-1-118 NMSA 1978. 1991 Op. Att'y Gen. No. 91-06.

**Leasing provisions.** — Retiree health care authority is subject to leasing regulations of the property control division of the general services department in accordance with the property control director's obligation to "control the lease or rental of space in private buildings by state executive agencies other than the state land office." 1991 Op. Att'y Gen. No. 91-06.

## **10-7C-6. Board created; membership; authority.**

A. There is created the "board of the retiree health care authority". The board shall be composed of not more than twelve members.

B. The board shall include:

(1) one member who is not employed by or on behalf of or contracting with an employer participating in or eligible to participate in the Retiree Health Care Act and who shall be appointed by the governor to serve at the pleasure of the governor;

(2) the educational retirement director or the educational retirement director's designee;

(3) one member to be selected by the public school superintendents' association of New Mexico;

(4) one member who is a teacher who is certified and teaching in elementary or secondary education to be selected by a committee composed of one person designated by the New Mexico association of classroom teachers, one person designated by the national education association of New Mexico and one person designated by the New Mexico federation of teachers;

(5) one member who is an eligible retiree of a public school and who is selected by the New Mexico association of retired educators;

(6) the executive secretary of the public employees retirement association or the executive secretary's designee;

(7) one member who is an eligible retiree receiving a benefit from the public employees retirement association and who is selected by the retired public employees of New Mexico;

(8) one member who is an elected official or employee of a municipality participating in the Retiree Health Care Act and who is selected by the New Mexico municipal league;

(9) the state treasurer or the state treasurer's designee; and

(10) one member who is a classified state employee selected by the personnel board.

C. The board, in accordance with the provisions of Paragraph (3) of Subsection D of Section 10-7C-9 NMSA 1978, shall include, if they qualify:

(1) one member who is an eligible retiree of an institution of higher education participating in the Retiree Health Care Act and who is selected by the New Mexico association of retired educators; and

(2) one member who is an elected official or employee of a county participating in the Retiree Health Care Act and who is selected by the New Mexico association of counties.

D. Every member of the board shall serve at the pleasure of the party that selected that member.

E. The members of the board shall begin serving their positions on the board on the effective date of the Retiree Health Care Act or upon their selection, whichever occurs last, unless that member's corresponding position on the board has been eliminated pursuant to Subsection D of Section 10-7C-9 NMSA 1978.

F. The board shall elect from its membership a president, vice president and secretary.

G. The board may appoint such officers and advisory committees as it deems necessary. The board may enter into contracts or arrangements with consultants, professional persons or firms as may be necessary to carry out the provisions of the Retiree Health Care Act.

H. The members of the board and its advisory committees shall receive per diem and mileage as provided in the Per Diem and Mileage Act [10-8-1 to 10-8-8 NMSA 1978] but shall receive no other compensation, perquisite or allowance.

**History:** Laws 1990, ch. 6, § 6; 1993, ch. 362, § 2; 2003, ch. 382, § 1.

## ANNOTATIONS

**Compiler's notes.** — The phrase "effective date of the Retiree Health Care Act", referred to in this section, means February 13, 1990, the effective date of Laws 1990, ch. 6.

**The 2003 amendment,** effective April 8, 2003, substituted "superintendents" for "superintendents" following "public school" in Paragraph B(2); substituted "personnel board" for "active state employees" in Paragraph B(10); and substituted "is" for "shall be", "who is" for "shall be", and "and who is" for "to be" throughout the section.

**The 1993 amendment,** effective June 18, 1993, divided Subsection A into Subsections A and B, substituting "not more than twelve" for "eleven" in the second sentence of Subsection A and the introductory language of Subection B for "consisting of the following"; in Subsection B, rewrote the provisions of Paragraphs (6) and (10) as Subsection C, renumbering the remaining paragraphs and subsections accordingly;



substituted "retiree receiving a benefit from the public employees retirement association" for "state government retiree" in Paragraph (7), and added Paragraph (10), making a related grammatical change; substituted "10-7C-9 NMSA 1978" for "9 of the Retiree Health Care Act" in Subsection E; and made stylistic changes in Subsections B and D.

### **10-7C-7. Board; duties.**

In order to achieve the purposes of the Retiree Health Care Act, the board may take all actions reasonably necessary to implement that act, including but not limited to the following:

A. employ or contract for the services of the state fiscal agent or select its own fiscal agent in accordance with the Procurement Code [13-1-28 to 13-1-199 NMSA 1978];

B. employ or contract for persons to assist it in carrying out the Retiree Health Care Act and determine the duties and compensation of these employees;

C. collect and disburse funds;

D. collect all current and historical claims and financial information necessary for effective procurement of lines of insurance coverage;

E. promulgate and adopt necessary rules, regulations and procedures for implementation of the Retiree Health Care Act;

F. negotiate insurance policies covering additional or lesser benefits as determined appropriate by the board, but the board shall maintain all coverage as required by federal or state law for each eligible retiree. In the event it is practical to wholly self-insure part or all of the retiree health care coverages, the board may do so;

G. procure group health care and other coverages authorized by the Retiree Health Care Act in accordance with the Procurement Code and the Health Care Purchasing Act [Chapter 13, Article 7 NMSA 1978];

H. establish the procedures for contributions and deductions;

I. determine methods and procedures for claims administration;

J. administer the fund;

K. contract for and make available to all eligible retirees and eligible dependents basic and optional group health insurance plans. The optional coverage may include a lower deductible, lower coinsurance or additional categories of benefits permitted under this section and all other applicable sections of the Retiree Health Care Act to provide additional levels of coverages and benefits. Any additional contributions for these

optional plans shall be paid for by the eligible retiree or eligible dependent. The coverage provided by the plans shall be secondary to all other benefit coverages to which the eligible retiree or eligible dependent is entitled. In the event a covered eligible retiree becomes employed by an employer offering its employees a basic plan of benefits, the coverage provided by the plan under the Retiree Health Care Act shall be secondary to such coverage regardless of whether the employee enrolls in that employer's plan. In the event the eligible retiree or eligible dependent is entitled to receive medicare hospital insurance benefits at no charge, then the coverage provided by the plan under the Retiree Health Care Act shall be secondary to medicare hospital and medical insurance to the extent permitted by federal law;

L. provide, at its discretion, different plans for eligible retirees and eligible dependents covered by medicare than the plans provided for eligible retirees and eligible dependents who are not covered by medicare; and

M. promulgate and adopt rules and regulations governing eligibility, participation, enrollment, length of service and any other conditions or requirements for providing substantially equal treatment to participating employers.

**History:** Laws 1990, ch. 6, § 7; 1997, ch. 74, § 5; 1998, ch. 45, § 2.

#### **ANNOTATIONS**

**The 1998 amendment**, effective May 20, 1998, deleted "who are independent public employers and their retirees and participating employees" following "employers" in Subsection M.

**The 1997 amendment**, effective July 1, 1997, inserted "and the Health Care Purchasing Act" following "the Procurement Code" in Subsection G and deleted "plan or" preceding "plans" in the fourth sentence in Subsection K.

#### **10-7C-7.1. Board may provide for an administration building; payment of obligations from contributions.**

The board may take all actions reasonably necessary to provide an administration building for the authority, including the acquisition of real property for that purpose. The board is authorized to make payments from the first money received each month as contributions pursuant to Section 10-7C-15 NMSA 1978 to pay principal of, interest on and other expenses or obligations related to revenue bonds issued by the New Mexico finance authority to plan, design, acquire, construct, furnish and equip an administration building for the authority, including the acquisition of real property.

**History:** Laws 2000, ch. 79, § 1.

## **10-7C-7.2. New Mexico finance authority revenue bonds; purpose; appropriation.**

A. The New Mexico finance authority may issue and sell revenue bonds in compliance with the New Mexico Finance Authority Act [Chapter 6, Article 21 NMSA 1978] in installments or at one time in an amount not exceeding two million five hundred thousand dollars (\$2,500,000) for the purpose of planning, designing, acquiring, constructing, equipping and furnishing an administration building for the retiree health care authority, including the acquisition of real property for that purpose.

B. The New Mexico finance authority may issue and sell revenue bonds authorized by this section when the board of the retiree health care authority certifies the need for issuance of the bonds. The net proceeds from the sale of the bonds are appropriated to the retiree health care authority for the purposes described in Subsection A of this section.

C. The first money received each month as contributions to the retiree health care fund pursuant to Section 10-7C-15 NMSA 1978 in an amount sufficient to pay the principal of, interest on and any other expenses or obligations related to the revenue bonds is appropriated to the New Mexico finance authority and shall be distributed monthly to the New Mexico finance authority to be pledged irrevocably for the payment of the principal of, interest on, any premium and expenses related to the issuance and sale of the bonds authorized pursuant to this section.

D. The amounts from the retiree health care fund distributed to the New Mexico finance authority shall be deposited in a special bond fund or account of the New Mexico finance authority. Any money remaining in the special fund or account from distributions made to the New Mexico finance authority during each fiscal year, after all principal of, interest on and any other expenses or obligations related to the bonds in that fiscal year are fully paid, shall be returned to the retiree health care fund. Upon payment of all principal of, interest on and any other expenses or obligations related to the bonds, the New Mexico finance authority shall certify to the retiree health care authority that all obligations for the bonds issued pursuant to this section have been fully discharged and direct the retiree health care authority to cease distributing money to the New Mexico finance authority.

E. The legislature shall not repeal, amend or otherwise modify any law that affects or impairs any revenue bonds of the New Mexico finance authority secured by a pledge of the contributions to the retiree health care fund, unless the revenue bonds have been discharged in full or provisions have been made for a full discharge.

F. The New Mexico finance authority may additionally secure the revenue bonds issued pursuant to this section by a pledge of money in the public project revolving fund with a lien priority on the money in the public project revolving fund as determined by the New Mexico finance authority.

**History:** Laws 2000, ch. 79, § 2.

## ANNOTATIONS

**Cross references.** — For powers of the finance authority, see 6-21-5 NMSA 1978.

### **10-7C-8. Fund created; investment; premiums; appropriation.**

A. There is created the "retiree health care fund". All money in the fund shall be invested as provided for in Subsection D of this section. All income earned from investment of the fund shall be credited to the fund. Except as otherwise specifically provided herein, the money in the fund is appropriated to the board to carry out the provisions of the Retiree Health Care Act. Any funds remaining at the end of any fiscal year shall not revert to the general fund.

B. The board shall provide for the collection of premiums from eligible retirees and eligible dependents which money when combined with other money appropriated to the fund shall be sufficient to provide the required insurance coverage and to pay the expenses of the authority. All premiums and other money appropriated to the fund shall be credited to the fund.

C. All premiums and other money collected by the authority shall be received and disbursed directly by the authority. Receipts and disbursements are subject to audit by the state auditor.

D. The board shall determine which money in the fund constitutes the long-term reserves of the authority. The state investment officer shall invest the long-term reserves of the authority in accordance with the provisions of Sections 6-8-1 through 6-8-16 NMSA 1978. The state treasurer shall invest the money in the fund that does not constitute the long-term reserves of the fund in accordance with the applicable provisions of Chapter 6, Article 10.

**History:** Laws 1990, ch. 6, § 8.

### **10-7C-9. Participation.**

A. All eligible employers shall participate in the Retiree Health Care Act except as provided in Subsection D or Subsection E of this section. Participating employers are required to continue existing group health insurance coverages until such time as similar coverages are offered by the board.

B. Participation in the basic health insurance coverages provided by the authority shall be conditioned upon receipt by the board of a certificate of eligibility from the educational retirement director, the executive secretary of the public employees retirement association, the executive director of the public school insurance authority or the governing body of an independent public employer. Once eligibility is established for

each eligible retiree, the board shall contribute from money in the fund the authority's portion of the premium for the basic plan of benefits commencing no earlier than January 1, 1991 plus the balance of the premium, which shall be collected from the retiree.

C. Each eligible retiree shall accept or reject enrollment in the basic plan of benefits on an enrollment form provided by the board. An eligible retiree who rejects enrollment or fails to return a properly executed enrollment form within the open enrollment period as established by the board forfeits all entitlement and eligibility for benefits under the Retiree Health Care Act until the next open enrollment period as established by the board.

D. On or before January 1, 1991, municipalities, counties and institutions of higher education that are retirement system employers may at their option determine by ordinance, or for institutions of higher education, by resolution, to be excluded from coverage under the Retiree Health Care Act; that determination shall be subject to the following conditions:

(1) any contributions paid into the fund by a municipality, county or institution of higher education that exercises timely an irrevocable option not to participate in the Retiree Health Care Act under this subsection shall be returned without interest to that municipality, county or institution of higher education for return of the employee contributions to the employees and for crediting of the employer contributions to the appropriate fund of the municipality, county or institution of higher education. If the determination to be excluded from coverage is exercised by a municipality, county or institution of higher education prior to July 1, 1990, then that municipality, county or institution of higher education shall not be required to make the contributions that would otherwise be required by Section 10-7C-15 NMSA 1978;

(2) any municipality, county or institution of higher education, in addition to complying with all other required notice and public hearing or meeting requirements, shall, no less than thirty days prior to the public hearing or public meeting on a proposed ordinance or proposed resolution, notify the authority of the public hearing or public meeting by certified mail; and

(3) in the event that:

(a) the number of active employees employed by municipalities contributing to the fund reaches a number equaling sixty percent or more of all active employees employed by all municipalities that are retirement system employers, the municipal position on the board of the authority shall be restored within sixty days of the date that percentage is reached; provided, however, that if a municipality with a population greater than one hundred thousand that is located in a class A county exercises this option, then the sixty-percent requirement shall be applied to the remaining municipalities only;

(b) the number of active employees employed by counties contributing to the fund reaches a number equaling sixty percent or more of all active employees employed by all counties that are retirement system employers, the county position on the board of the authority shall be restored within sixty days of the date that percentage is reached; provided, however, that if a class A county exercises this option, then the eighty-percent requirement shall be applied to the remaining counties only; or

(c) the number of active employees employed by institutions of higher learning contributing to the fund reaches a number equaling seventy percent or more of all active employees employed by an institution of higher education contributing to the educational retirement fund, the institution of higher education position on the board shall be restored within sixty days of the date that percentage is reached.

E. An independent public employer may become a participating employer if that employer satisfies the requirements imposed pursuant to Subsection M of Section 10-7C-7 NMSA 1978 and if that employer also files with the authority on or prior to January 1, 1991 or prior to July 1, 1993 or July 1 of any year a written irrevocable election by the governing body of that employer to participate in the Retiree Health Care Act. Any such independent public employer or retirement system employer, as defined in Subsection G of Section 10-7C-4 NMSA 1978 that chooses to become a participating employer after January 1, 1998 shall begin making the appropriate employer and employee contributions to the fund on the July 1 immediately following the adoption of the ordinance or resolution. On the following January 1, eligible retirees of those participating employers and their eligible dependents shall be eligible to receive group health insurance coverage pursuant to the provisions of the Retiree Health Care Act.

F. A municipality or county that enacted an ordinance or an institution of higher education that enacted a resolution prior to January 1, 1991 pursuant to Subsection D of this section to be excluded from coverage under the Retiree Health Care Act may become a participating employer if that employer satisfies the requirements imposed pursuant to Subsection M of Section 10-7C-7 NMSA 1978 and if that employer also enacts an ordinance or resolution, as applicable, after a public hearing and published notice of the hearing, prior to July 1, 1993 or July 1 of any year to choose to become a participating employer under the Retiree Health Care Act. Any such municipality, county or institution of higher education that chooses to become a participating employer after January 1, 1998 shall begin making the appropriate employer and employee contributions determined by the board to the fund on the July 1 immediately following the adoption of the ordinance or resolution. On the following January 1, eligible retirees of those participating employers and their eligible dependents shall be eligible to receive group health insurance coverage pursuant to the provisions of the Retiree Health Care Act.

**History:** Laws 1990, ch. 6, § 9; 1993, ch. 362, § 3; 1998, ch. 45, § 3.

## **ANNOTATIONS**

**Compiler's notes.** — The phrase "effective date of the Retiree Health Care Act", referred to in this section, means February 13, 1990, the effective date of Laws 1990, ch. 6.

**The 1998 amendment,** effective May 20, 1998, in Subsection A, deleted "under the Retiree Health Care Act" following "board"; in Subsection B, deleted "who retires on or after the effective date of the Retiree Health Care Act" following "retiree"; in Subsection E, inserted "or retirement system employer, as defined in Subsection G of Section 10-7C-4 NMSA 1978", substituted "1998" for "1993" and inserted "the appropriate"; deleted Subsection F; renumbered the remaining subsection accordingly; and in present Subsection F, substituted "1998" for "1993", inserted "the appropriate" and "determined by the board".

**The 1993 amendment,** effective June 18, 1993, in Subsection D, deleted "shall be irrevocable and" following "determination" in the introductory language, changed the style of the statutory reference at the end of Paragraph (1), added "and" to the end of Paragraph (2), rewrote Paragraph (3), and deleted Paragraph (4), which read: "any reduction in the size of the board pursuant to this subsection of the Retiree Health Care Act shall be effective January 1, 1991"; in Subsection E, changed the style of the statutory reference and inserted "or prior to July 1, 1993 or July 1 of any year" in the first sentence and added the second and third sentences; and added Subsection G.

## **10-7C-10. Expulsion from program for falsification.**

A. After written notice to the participating employee, eligible retiree or eligible dependent and hearing with a fair opportunity to appear and present the case personally or by counsel, the board may expel from participation in the retiree health care plan or plans any participating employee, eligible retiree or eligible dependent who submits a false claim under, or has falsified or attempted to falsify, any claim for health benefits or life insurance offered by the authority.

B. On its motion or on the receipt of a complaint, the board may call and hold a hearing to determine whether a participating employee, eligible retiree or eligible dependent has submitted a false claim under, or has falsified or attempted to falsify any claim for health benefits or life insurance offered under the Retiree Health Care Act.

C. If the board, at the conclusion of the hearing, issues a decision that finds that a participating employee, eligible retiree or eligible dependent submitted a false claim or has falsified or attempted to falsify any claim for health benefits or life insurance offered under that act, the board shall expel the participating employee, eligible retiree or eligible dependent from participation in any or all coverage plans or impose conditions upon continued or future participation.

**History:** Laws 1990, ch. 6, § 10.

## **10-7C-11. Purchase of group insurance.**

A. The board shall be designated as the group policyholder for any plans established under the Retiree Health Care Act.

B. The group insurance coverages provided under the plans may include but are not limited to life insurance, accidental death and dismemberment, hospital care and benefits, surgical care and treatment, medical care and treatment, dental care, eye care, obstetrical benefits, prescribed drugs, medicines and prosthetic devices, medicare supplement, medicare carveout, medicare coordination and other benefits, supplies and services through the vehicles of indemnity coverages, health maintenance organizations, preferred provider organizations and other health care delivery systems as provided by the Retiree Health Care Act and other coverages considered by the board to be advisable.

C. To the extent practicable, each basic plan of benefits shall cover preexisting conditions.

D. Any group medical insurance plan offered pursuant to this section shall include effective cost-containment measures to control the growth of health care costs. The board shall report annually by September 1 to appropriate interim legislative committees on the effectiveness of the cost-containment measures required by this subsection.

**History:** Laws 1990, ch. 6, § 11; 1994, ch. 62, § 20.

### **ANNOTATIONS**

**The 1994 amendment**, effective March 4, 1994, deleted "plan or" following "for any" in Subsection A and following "provided under the" near the beginning of Subsection B, and added Subsection D.

### **10-7C-12. Automatic coverage; effect of preexisting conditions.**

A. An eligible retiree who applies for coverage during the initial and subsequent open enrollment periods as established by the board may not be denied any of the group insurance basic coverages provided under the Retiree Health Care Act except as provided in Section 10 [10-7C-10 NMSA 1978] of that act.

B. An eligible retiree or an eligible dependent who applies for optional coverage under the program after the first offering to the eligible retiree or eligible dependent is not entitled to coverage for preexisting conditions existing during the six-month period immediately preceding the date on which optional coverage takes effect.

**History:** Laws 1990, ch. 6, § 12.

### **10-7C-13. Payment of premiums on health care plans.**



A. Except as otherwise provided in this section, each eligible retiree shall pay a monthly premium for the basic plan in an amount set by the board not to exceed fifty dollars (\$50.00) plus the amount, if any, of the compounded annual increases authorized by the board, which increases shall not exceed nine percent until fiscal year 2008 after which the increases shall not exceed the authority's group health care trend. In addition to the monthly premium for the basic plan, each current retiree and nonsalaried eligible participating entity governing authority member who becomes an eligible retiree shall also pay monthly an additional participation fee set by the board. That fee shall be five dollars (\$5.00) plus the amount, if any, of the compounded annual increases authorized by the board, which increases shall not exceed nine percent until fiscal year 2008 after which the increases shall not exceed the authority's group health care trend. The additional monthly participation fee paid by the current retirees and nonsalaried eligible participating entity governing authority members who become eligible retirees shall be a consideration and a condition for being permitted to participate in the Retiree Health Care Act. A legislative member or a former participating employer governing authority member shall pay a monthly premium for any selected plan equal to one-twelfth of the annual cost of the claims and administrative costs of that plan allocated to the member by the board. In addition, a legislative member or a former participating employer governing authority member shall pay the additional monthly participation fee set by the board pursuant to this subsection as a consideration and condition for participation in the Retiree Health Care Act. Eligible dependents shall pay monthly premiums in amounts that with other money appropriated to the fund shall cover the cost of the basic plan for the eligible dependents.

B. Eligible retirees and eligible dependents shall pay monthly premiums to cover the cost of the optional plans that they elect to receive, and the board shall adopt rules for the collection of additional premiums from eligible retirees and eligible dependents participating in the optional plans. An eligible retiree or eligible dependent may authorize the authority in writing to deduct the amount of these premiums from the monthly annuity payments, if applicable.

C. The participating employers, active employees and retirees are responsible for the financial viability of the program. The overall financial viability is not an additional financial obligation of the state.

D. For eligible retirees who become eligible for participation on or after July 1, 2001, the board may determine monthly premiums based on the retirees' years of credited service with participating employers.

**History:** Laws 1990, ch. 6, § 13; 1993, ch. 362, § 4; 1999, ch. 286, § 1; 2000, ch. 31, § 1; 2001, ch. 335, § 2; 2003, ch. 85, § 2; 2005, ch. 86, § 2.

## ANNOTATIONS

**The 2005 amendment**, effective July 1, 2005, added the requirement in Subsection A that a former participating employer governing authority member pay the monthly

premium as specified in the subsection and the additional monthly participation fee set by the board.

**The 2003 amendment**, effective July 1, 2003, inserted "A legislative member shall pay a monthly premium for any selected plan equal to one-twelfth of the annual cost of the claims and administrative costs of that plan allocated to the member by the board. In addition, a legislative member shall pay the additional monthly participation fee set by the board pursuant to this subsection as a consideration and condition for participation in the Retiree Health Care Act." following the fourth sentence of Subsection A.

**The 2001 amendment**, effective June 15, 2001, in Subsection A, substituted "until fiscal year 2008 after which the increases shall not exceed the authority's group health care trend" for "in any fiscal" twice.

**The 2000 amendment**, effective May 17, 2000, added Subsection D.

**The 1999 amendment**, effective June 18, 1999, increased the cap on annual retiree basic plan premium increases from three percent to nine percent.

**The 1993 amendment**, effective June 18, 1993, in Subsection A, rewrote the first two sentences as the first through third sentences, and substituted "in amounts that with other money appropriated to the fund shall" for "to" in the last sentence.

## **10-7C-14. Exemption from legal process.**

All insurance benefit payments, participating employee and participating employer contributions, eligible retiree and eligible dependent contributions, optional benefits payments and any rights, benefits or payments accruing to any person under the Retiree Health Care Act, as well as all money in the fund created by that act, are exempt from execution, attachment, garnishment or any other legal process and may not be assigned except as specifically provided by that act.

**History:** Laws 1990, ch. 6, § 14.

### **ANNOTATIONS**

**Cross references.** — For rules governing garnishment and writs of execution in the district, magistrate, and metropolitan courts, see Rules 1-065.1, 2-801, and 3-801 NMRA, respectively.

For form for claim of exemptions on executions, see Rule 4-803 NMRA.

For form for order on claim of exemption and order to pay in execution proceedings, see Rule 4-804 NMRA.

For form for application for writ of garnishment and affidavit, see Rule 4-805 NMRA.

For form for notice of right to claim exemptions from execution, see Rule 4-808A NMRA.

For form for claim of exemption from garnishment, see Rule 4-809 NMRA.

### **10-7C-15. Retiree health care fund contributions.**

A. Following completion of the preliminary contribution period, each participating employer shall make contributions to the fund pursuant to the following provisions:

(1) for participating employees who are not members of an enhanced retirement plan, the employer's contribution shall equal:

(a) one and three-tenths percent of each participating employee's salary for the period from July 1, 2002 through June 30, 2010;

(b) one and six hundred sixty-six thousandths percent of each participating employee's salary for the period from July 1, 2010 through June 30, 2011;

(c) one and eight hundred thirty-four thousandths percent of each participating employee's salary for the period from July 1, 2011 through June 30, 2012; and

(d) two percent of each participating employee's salary beginning July 1, 2012;

(2) for participating employees who are members of an enhanced retirement plan, the employer's contribution shall equal:

(a) one and three-tenths percent of each participating employee's salary for the period from July 1, 2002 through June 30, 2010;

(b) two and eighty-four thousandths percent of each participating employee's salary for the period from July 1, 2010 through June 30, 2011;

(c) two and two hundred ninety-two thousandths percent of each participating employee's salary for the period from July 1, 2011 through June 30, 2012; and

(d) two and one-half percent of each participating employee's salary beginning July 1, 2012; and

(3) each employer that chooses to become a participating employer after January 1, 1998 shall make contributions to the fund in the amount determined to be appropriate by the board.

B. Following completion of the preliminary contribution period, each participating employee, as a condition of employment, shall contribute to the fund pursuant to the following provisions:

(1) for a participating employee who is not a member of an enhanced retirement plan, the employee's contribution shall equal:

(a) sixty-five hundredths of one percent of the employee's salary for the period from July 1, 2002 through June 30, 2010;

(b) eight hundred thirty-three thousandths of one percent of the employee's salary for the period from July 1, 2010 through June 30, 2011;

(c) nine hundred seventeen thousandths of one percent of the employee's salary for the period from July 1, 2011 through June 30, 2012; and

(d) one percent of the employee's salary beginning July 1, 2012;

(2) for a participating employee who is a member of an enhanced retirement plan, the employee's contribution shall equal:

(a) sixty-five hundredths of one percent of the employee's salary for the period from July 1, 2002 through June 30, 2010;

(b) one and forty-two thousandths percent of the employee's salary for the period from July 1, 2010 through June 30, 2011;

(c) one and one hundred forty-six thousandths percent of the employee's salary for the period from July 1, 2011 through June 30, 2012; and

(d) one and one-fourth percent of the employee's salary beginning July 1, 2012; and

(3) as a condition of employment, each participating employee of an employer that chooses to become a participating employer after January 1, 1998 shall contribute to the fund an amount that is determined to be appropriate by the board. Each month, participating employers shall deduct the contribution from the participating employee's salary and shall remit it to the board as provided by any procedures that the board may require.

C. On or after July 1, 2009, no person who has obtained service credit pursuant to Subsection B of Section 10-11-6 NMSA 1978, Section 10-11-7 NMSA 1978 or Paragraph (3) or (4) of Subsection A of Section 22-11-34 NMSA 1978 may enroll with the authority unless the person makes a contribution to the fund equal to the full actuarial present value of the amount of the increase in the person's health care benefit, as determined by the authority.

D. Except for contributions made pursuant to Subsection C of this section, a participating employer that fails to remit before the tenth day after the last day of the month all employer and employee deposits required by the Retiree Health Care Act to be remitted by the employer for the month shall pay to the fund, in addition to the deposits, interest on the unpaid amounts at the rate of six percent per year compounded monthly.

E. Except for contributions made pursuant to Subsection C of this section, the employer and employee contributions shall be paid in monthly installments based on the percent of payroll certified by the employer.

F. Except in the case of erroneously made contributions or as may be otherwise provided in Subsection D of Section 10-7C-9 NMSA 1978, contributions from participating employers and participating employees shall become the property of the fund on receipt by the board and shall not be refunded under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act.

G. Notwithstanding any other provision in the Retiree Health Care Act and at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

H. As used in this section, "member of an enhanced retirement plan" means:

(1) a member of the public employees retirement association who, pursuant to the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978], is included in:

(a) state police member and adult correctional officer member coverage plan 1;

(b) municipal police member coverage plan 3, 4 or 5;

(c) municipal fire member coverage plan 3, 4 or 5; or

(d) municipal detention officer member coverage plan 1; or

(2) a member pursuant to the provisions of the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978].

**History:** Laws 1990, ch. 6, § 15; 1998, ch. 45, § 4; 2001, ch. 335, § 3; 2009, ch. 287, § 2; 2009, ch. 288, § 3.

## ANNOTATIONS

**2009 Multiple Amendments.** — Laws 2009, ch. 287, § 2 and Laws 2009, ch. 288, § 3 enacted different amendments to this section that can be reconciled. Pursuant to 12-1-8 NMSA 1978, Laws 2009, ch. 288, § 3, as the last act signed by the governor, is set out above and incorporates both amendments. The amendments enacted by Laws 2009, ch. 287, § 2 and Laws 2009, ch. 288, § 3 are described below. To view the session laws in their entirety, see the 2009 session laws on *NMOneSource.com*.

Laws 2009, ch. 288, § 3, effective July 1, 2009, deleted former Paragraphs (1) and (2) of Subsection A, which provided for employer contributions of one percent of the employee's salary for the period July 1, 1990 through June 30, 2002 and up to one and three-tenths percent beginning July 1, 2002; added Paragraphs (1) and (2) of Subsection A; deleted former Paragraphs (1) and (2) of Subsection B, which provided for employee contributions of one-half percent for the period July 1, 1990 through June 30, 2002 and up to sixty-five hundredths percent beginning July 1, 2002; added Paragraphs (1) and (2) of Subsection B; added Subsection C; in Subsections D and E, at the beginning of each sentence, added "Except for contributions made pursuant to Subsection C of this section"; in Subsection G, changed "2010" to "2013" and changed "distribution" to "distributions"; and added Subsection H.

Laws 2009, ch. 287, § 2, effective June 19, 2009, and Laws 2009, ch. 288, § 3 enacted identical amendments to Subsections A and B. Laws 2009, ch. 288, § 3 added a new Subsection C and relettered the former subsections. The amendment enacted by Laws 2009, ch. 287, § 2, in Subsection F is identical to the amendment enacted in Subsection G by Laws 2009, ch. 288, § 3. Laws 2009, ch. 287, § 2 added Subsection G, which was identical to Subsection H that was added by Laws 2009, ch. 288, § 3.

**Temporary provisions.** — Laws 2009, ch. 288, § 19, effective April 10, 2009, created a retirement systems solvency task force to study the actuarial soundness and solvency of the retirement plans of the public employees retirement association, the educational retirement association and the health care plan of the retiree health care authority, and prepare a solvency plan for each entity.

**The 2001 amendment,** effective June 15, 2001, in Subsection A, deleted "for the fiscal year beginning July 1, 1990 and thereafter" preceding "shall make contributions"; redesignated the "one percent" language as Paragraph A(1); added "for the period July 1, 1990 through June 30, 2002" to Paragraph A(1); added Paragraph A(2); in Subsection B, deleted "for the fiscal year beginning July 1, 1990 and thereafter"; redesignated the "one-half of one percent" language as Paragraph B(1); added "for the period July 1, 1990 to June 30, 2002" to Paragraph B(1); added Paragraph B(2); and substituted "2010" for "1995" in Subsection F.

**The 1998 amendment,** effective May 20, 1998, in Subsections A and B, inserted "Following completion of the preliminary contribution period"; in Subsection B, inserted the present second sentence; in Subsection C, substituted "year" for "annum"; in Subsection E, substituted "10-7C-9 NMSA 1978" for "9 of the Retiree Health Care Act" and in Subsection F, inserted "NMSA 1978" and substituted "ensure" for "insure".

## **10-7C-16. Retiree health care fund; budget.**

Expenditures for the administration of the Retiree Health Care Act shall be made as provided by an operating budget adopted by the board and approved by the state budget division of the department of finance and administration as provided by law and pursuant to appropriation by the legislature.

**History:** Laws 1990, ch. 6, § 16; 1995, ch. 29, § 1; 1998, ch. 45, § 5.

### **ANNOTATIONS**

**The 1998 amendment**, effective May 20, 1998, deleted the second sentence.

**The 1995 amendment**, effective June 16, 1995, rewrote the section, deleting provisions pertaining to staffing and administration of the retiree health care authority.

## **10-7C-17. Repealed.**

**History:** Laws 2002, ch. 75, § 2; 2002, ch. 80, § 2; 2003, ch. 382, § 2; 2006, ch. 26, § 1; repealed by Laws 2021, ch. 23, § 3.

### **ANNOTATIONS**

**Repeals.** — Laws 2021, ch. 23, § 3 repealed 10-7C-17 NMSA 1978, as enacted by Laws 2002, ch. 75, § 2 and Laws 2002, ch. 80, § 2, relating to creation of discount prescription drug program, effective July 1, 2021. For provisions of former section, see the 2020 NMSA 1978 on *NMOneSource.com*.

## **10-7C-18. Repealed.**

**History:** Laws 2002, ch. 75, § 3; 2002, ch. 80, § 3; 2006, ch. 26, § 2; repealed by Laws 2021, ch. 23, § 3.

### **ANNOTATIONS**

**Repeals.** — Laws 2021, ch. 23, § 3 repealed 10-7C-18 NMSA 1978, as enacted by Laws 2002, ch. 75, § 3 and Laws 2002, ch. 80, § 3, relating to fund created, effective July 1, 2021. For provisions of former section, see the 2020 NMSA 1978 on *NMOneSource.com*.

## **10-7C-19. Repealed.**

**History:** Laws 2002, ch. 75, § 4; 2002, ch. 80, § 4; 2006, ch. 26, § 3; repealed by Laws 2021, ch. 23, § 3.

## ANNOTATIONS

**Repeals.** — Laws 2021, ch. 23, § 3 repealed 10-7C-19 NMSA 1978, as enacted by Laws 2002, ch. 75, § 4 and Laws 2002, ch. 80, § 4, relating to audit, fee recommendation, effective July 1, 2021. For provisions of former section, see the 2020 NMSA 1978 on *NMOneSource.com*.

## ARTICLE 7D Public Employee Bargaining (Repealed.)

**10-7D-1 to 10-7D-26. Repealed.**

## ANNOTATIONS

**Repeals.** — Laws 1992, ch. 9, § 30 repealed 10-7D-1 to 10-7D-26 NMSA 1978, as enacted by Laws 1992, ch. 9, §§ 1 to 3, 5 to 22, and 24 to 26, and as amended by Laws 1997, ch. 212, § 1 and Laws 1998, ch. 55, § 20, relating to public employee bargaining, effective July 1, 1999. For provisions of former sections, see the 1991 NMSA 1978 on *NMOneSource.com*. For similar provisions, see 10-7E-1 NMSA 1978 et seq.

**Compiler's notes.** — Laws 1999, ch. 265, § 20 purported to amend 10-7D-23 NMSA 1978, effective July 1, 1999, however, it could not be given effect because of the previous repeal of Chapter 10, Article 7D NMSA 1978 by Laws 1992, ch. 9, § 30.

## ARTICLE 7E Public Employee Bargaining

**10-7E-1. Short title.**

Chapter 10, Article 7E NMSA 1978 may be cited as the "Public Employee Bargaining Act".

**History:** Laws 2003, ch. 4, § 1 and by Laws 2003, ch. 5, § 1; 2005, ch. 333, § 1.

## ANNOTATIONS

**The 2005 amendment,** effective June 17, 2005, added the statutory reference to the act.

**Punitive damages.** — Punitive damages are available in actions for breach of the duty of fair representation where the union's conduct is malicious, willful, wanton, reckless, fraudulent or in bad faith. *Akins v. United Steel Workers of Am.*, 2010-NMSC-031, 148 N.M. 442, 237 P.3d 744, *aff'g* 2009-NMCA-051, 146 N.M. 237, 208 P.3d 457.



Where after being subjected to overt racism in the workplace, the plaintiff called upon the union to file a grievance and the union refused to do so; the plaintiff was the only African-American working in the plaintiff's department; the plaintiff's coworkers refused to speak English to the plaintiff and the plaintiff's supervisor would only issue orders in Spanish, a language which the plaintiff did not speak; when the plaintiff complained to the defendant's supervisor that the plaintiff could not speak or understand Spanish, the supervisor continued to give orders in Spanish; when the plaintiff asked the union to file a grievance on his behalf, the plaintiff was told by the union president that the plaintiff was of the "wrong color" and that the plaintiff needed to learn to speak Spanish, the union's conduct was sufficiently reprehensible to allow the issue of punitive damages to be considered by the jury. *Akins v. United Steel Workers of Am.*, 2009-NMCA-051, 146 N.M. 237, 208 P.3d 457, *aff'd*, 2010-NMSC-031, 148 N.M. 442, 237 P.3d 744.

**Duty of fair representation.** — Public employee unions owe union members a duty of fair representation. When a complaint arises from a union's representation of employees in a grievance proceeding, the cause of action is for breach of the duty of fair representation, not for breach of a fiduciary duty. *Callahan v. N.M. Fed'n of Teachers TVI*, 2006-NMSC-010, 139 N.M. 201, 131 P.3d 51.

**Proof of breach of duty of fair representation.** — Breach of the duty of fair representation requires a showing of arbitrary, fraudulent, or bad faith conduct, not a simple showing of negligent representation. *Callahan v. N.M. Fed'n of Teachers TVI*, 2006-NMSC-010, 139 N.M. 201, 131 P.3d 51.

**Covenant of good faith and fair dealing.** — Breach of implied covenant of good faith and fair dealing is subsumed within claims for breach of duty of fair representation. *Callahan v. N.M. Fed'n of Teachers TVI*, 2006-NMSC-010, 139 N.M. 201, 131 P.3d 51.

**Third-party beneficiary claims.** — In order to state a claim against union for breach of collective bargaining agreement as third-party beneficiaries, union members must assert a promise that union made to employer and to union members as third-party beneficiaries, which union subsequently broke. *Callahan v. N.M. Fed'n of Teachers TVI*, 2006-NMSC-010, 139 N.M. 201, 131 P.3d 51.

**Exhaustion of administrative remedies.** — Because breach of duty of fair representation is not listed as a prohibited practice, union members are not required to bring their claims of breach of the duty of fair representation before the public employees labor relations board or the local labor relations board in order to exhaust their administrative remedies. *Callahan v. N.M. Fed'n of Teachers TVI*, 2006-NMSC-010, 139 N.M. 201, 131 P.3d 51.

**Law reviews.** — For article, "Correcting the Imbalance — The New Mexico Public Employee Bargaining Act and the Statutory Rights Provided to Public Employees", see 37 N. M. L. Rev. 357 (2007).

## **10-7E-2. Purpose of act.**

The purpose of the Public Employee Bargaining Act is to guarantee public employees the right to organize and bargain collectively with their employers, to promote harmonious and cooperative relationships between public employers and public employees and to protect the public interest by ensuring, at all times, the orderly operation and functioning of the state and its political subdivisions.

**History:** Laws 2003, ch. 4, § 2 and by Laws 2003, ch. 5, § 2.

### ANNOTATIONS

**Compiler's notes.** — Laws 2003, ch. 4, § 2 and Laws 2003, ch. 5, § 2 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-2 NMSA 1978.

**Consistency of local ordinance with act's purpose.** — City ordinance that allows a public employer to select two members of the three-member local board to adjudicate labor-management disputes does not productively allow employees to collectively bargain, and, as such, violates the purpose of the Public Employee Bargaining Act as stated in Section 10-7E-2 NMSA 1978. *City of Deming v. Deming Firefighters Local 4521*, 2007-NMCA-069, 141 N.M. 686, 160 P.3d 595.

### 10-7E-3. Conflicts.

In the event of conflict with other laws, the provisions of the Public Employee Bargaining Act shall supersede other previously enacted legislation and rules; provided that the Public Employee Bargaining Act shall not supersede the provisions of the Bateman Act [6-6-11 NMSA 1978], the Personnel Act [Chapter 10, Article 9 NMSA 1978], the Group Benefits Act [Chapter 10, Article 7B NMSA 1978], the Per Diem and Mileage Act [10-8-1 to 10-8-8 NMSA 1978], the Retiree Health Care Act [10-7C-1 to 10-7C-16 NMSA 1978], public employee retirement laws or the Tort Claims Act [41-4-1 to 41-4-27 NMSA 1978].

**History:** Laws 2003, ch. 4, § 3; 2003, ch. 5, § 3; 2020, ch. 48, § 1.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, removed a provision providing that, in the event of a conflict, the provisions of the Public Employee Bargaining Act shall not supersede the provisions of Sections 10-7-1 through 10-7-19 NMSA 1978; after "legislation and", deleted "regulations" and added "rules"; and after "the Personnel Act", deleted "Sections 10-7-1 through 10-7-19 NMSA 1978".

### 10-7E-4. Definitions.

As used in the Public Employee Bargaining Act:

A. "appropriate bargaining unit" means a group of public employees designated by the board or local board for the purpose of collective bargaining;

B. "appropriate governing body" means the policymaking body or individual representing a public employer as designated in Section 10-7E-7 NMSA 1978;

C. "authorization card" means a signed affirmation by a member of an appropriate bargaining unit designating a particular organization as exclusive representative;

D. "board" means the public employee labor relations board;

E. "certification" means the designation by the board or local board of a labor organization as the exclusive representative for all public employees in an appropriate bargaining unit;

F. "collective bargaining" means the act of negotiating between a public employer and an exclusive representative for the purpose of entering into a written agreement regarding wages, hours and other terms and conditions of employment;

G. "confidential employee" means a person who devotes a majority of the person's time to assisting and acting in a confidential capacity with respect to a person who formulates, determines and effectuates management policies;

H. "emergency" means a one-time crisis that was unforeseen and unavoidable;

I. "exclusive representative" means a labor organization that, as a result of certification, has the right to represent all public employees in an appropriate bargaining unit for the purposes of collective bargaining;

J. "impasse" means failure of a public employer and an exclusive representative, after good-faith bargaining, to reach agreement in the course of negotiating a collective bargaining agreement;

K. "labor organization" means an employee organization, one of whose purposes is the representation of public employees in collective bargaining and in otherwise meeting, consulting and conferring with employers on matters pertaining to employment relations;

L. "local board" means a local labor relations board established by a public employer, other than the state, through ordinance, resolution or charter amendment, and which continues to exist by virtue of the election described in Subsection B of Section 10-7E-10 NMSA 1978;

M. "lockout" means an act by a public employer to prevent its employees from going to work for the purpose of resisting the demands of the employees' exclusive

representative or for the purpose of gaining a concession from the exclusive representative;

N. "management employee" means an employee who is engaged primarily in executive and management functions and is charged with the responsibility of developing, administering or effectuating management policies. An employee shall not be deemed a management employee solely because the employee participates in cooperative decision-making programs or whose fiscal responsibilities are routine, incidental or clerical;

O. "mediation" means assistance by an impartial third party to resolve an impasse between a public employer and an exclusive representative regarding employment relations through interpretation, suggestion and advice;

P. "professional employee" means an employee whose work is predominantly intellectual and varied in character and whose work involves the consistent exercise of discretion and judgment in its performance and requires knowledge of an advanced nature in a field of learning customarily requiring specialized study at an institution of higher education or its equivalent. The work of a professional employee is of such character that the output or result accomplished cannot be standardized in relation to a given period of time;

Q. "public employee" means a regular nonprobationary employee of a public employer; provided that, in the public schools, "public employee" shall also include a regular probationary employee and includes those employees whose work is funded in whole or in part by grants or other third-party sources;

R. "public employer" means the state or a political subdivision thereof, including a municipality that has adopted a home rule charter, and does not include a government of an Indian nation, tribe or pueblo, provided that state educational institutions as provided in Article 12, Section 11 of the constitution of New Mexico shall be considered public employers other than the state for collective bargaining purposes only;

S. "strike" means a public employee's refusal, in concerted action with other public employees, to report for duty or the willful absence in whole or in part from the full, faithful and proper performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions, compensation, rights, privileges or obligations of public employment; and

T. "supervisor" means an employee who devotes a majority of work time to supervisory duties, who customarily and regularly directs the work of two or more other employees and who has the authority in the interest of the employer to hire, promote or discipline other employees or to recommend such actions effectively, but "supervisor" does not include an individual who performs merely routine, incidental or clerical duties or who occasionally assumes a supervisory or directory role or whose duties are substantially similar to those of the individual's subordinates and does not include a lead

employee or an employee who participates in peer review or occasional employee evaluation programs.

**History:** Laws 2003, ch. 4, § 4; 2003, ch. 5, § 4; 2020, ch. 48, § 2.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, removed the definition of "fair share" and revised the meanings of certain terms as used in the Public Employee Bargaining Act; in Subsection B, changed "Section 7 of the Public Employee Bargaining Act" to "10-7E-7 NMSA 1978"; deleted former Subsection J, which defined "fair share", and redesignated former Subsections K through U as Subsections J through T, respectively; in Subsection L, after "charter amendment", added "and which continues to exist by virtue of the election described in Subsection B of Section 10-7E-10 NMSA 1978"; in Subsection N, after "decision-making programs", deleted "on an occasional basis" and added "or whose fiscal responsibilities are routine, incidental or clerical"; and in Subsection Q, after "probationary employee", added "and includes those employees whose work is funded in whole or in part by grants or other third-party sources".

**A non-union member of a collective bargaining unit is subject to the Act. —**

Where petitioner was a regular full-time non-probationary sworn police officer employed by the municipal police department and a member of the collective bargaining unit covered by the union's collective bargaining agreement; petitioner did not join the union, did not pay union dues, and never sought assistance from the union; the municipality recognized the union as the exclusive collective bargaining representative for regular full-time non-probationary sworn police officers; and petitioner initiated a grievance procedure to challenge petitioner's termination, petitioner was a public employee, working for a public employer and was subject to the Public Employee Bargaining Act, the collective bargaining agreement, and the requirements of the collective bargain agreement and the act that petitioner's grievance challenging petitioner's termination was subject to binding arbitration. *Luginbuhl v. City of Gallup*, 2013-NMCA-053, 302 P.3d 751.

### **10-7E-5. Rights of public employees.**

A. Public employees, other than management employees and confidential employees, may form, join or assist a labor organization for the purpose of collective bargaining through representatives chosen by public employees without interference, restraint or coercion and shall have the right to refuse those activities.

B. Public employees have the right to engage in other concerted activities for mutual aid or benefit. This right shall not be construed as modifying the prohibition on strikes set forth in Section 10-7E-21 NMSA 1978.

**History:** Laws 2003, ch. 4, § 5; 2003, ch. 5, § 5; 2020, ch. 48, § 3.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, provided public employees the right to engage in concerted activities for mutual aid or benefit; and added Subsection B.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Right of public defenders to join collective bargaining unit, 108 A.L.R.5th 241.

### **10-7E-6. Rights of public employers.**

Unless limited by the provisions of a collective bargaining agreement or by other statutory provision, a public employer may:

A. direct the work of, hire, promote, assign, transfer, demote, suspend, discharge or terminate public employees;

B. determine qualifications for employment and the nature and content of personnel examinations;

C. take actions as may be necessary to carry out the mission of the public employer in emergencies; and

D. retain all rights not specifically limited by a collective bargaining agreement or by the Public Employee Bargaining Act.

**History:** Laws 2003, ch. 4, § 6 and by Laws 2003, ch. 5, § 6.

## ANNOTATIONS

**Compiler's notes.** — Laws 2003, ch. 4, § 6 and Laws 2003, ch. 5, § 6 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-6 NMSA 1978.

### **10-7E-7. Appropriate governing body; public employer.**

The appropriate governing body of a public employer is the policymaking individual or body representing the public employer. In the case of the state, the appropriate governing body is the governor or his designee or, in the case of a constitutionally created body, the constitutionally designated head of that body. At the local level, the appropriate governing body is the elected or appointed representative body or individual charged with management of the local public body. In the event of dispute, the board shall determine the appropriate governing body.

**History:** Laws 2003, ch. 4, § 7 and by Laws 2003, ch. 5, § 7.

## ANNOTATIONS

**Compiler's notes.** — Laws 2003, ch. 4, § 7 and Laws 2003, ch. 5, § 7 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-7 NMSA 1978.

### **10-7E-8. Public employee labor relations board; created; terms; qualifications.**

A. The "public employee labor relations board" is created. The board consists of three members appointed by the governor. The governor shall appoint one member recommended by organized labor representatives actively involved in representing public employees, one member recommended by public employers actively involved in collective bargaining and one member jointly recommended by the other two appointees.

B. Except for appointments made in 2003, board members shall serve for a period of three years with terms commencing on July 1. Vacancies shall be filled by appointment by the governor in the same manner as the original appointment, and such appointments shall only be made for the remainder of the unexpired term. A board member may serve an unlimited number of terms.

C. During the term for which he is appointed, a board member shall not hold or seek any other political office or public employment or be an employee of a labor organization or an organization representing public employees or public employers.

D. Each board member shall be paid per diem and mileage in accordance with the provisions of the Per Diem and Mileage Act [10-8-1 to 10-8-8 NMSA 1978].

E. For the purpose of making initial appointments to the board in 2003, the governor shall designate one member to serve a one-year term, one member to serve a two-year term and one member to serve a three-year term. Thereafter, all members shall be appointed for three-year terms.

**History:** Laws 2003, ch. 4, § 8 and by Laws 2003, ch. 5, § 8.

### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 8 and Laws 2003, ch. 5, § 8 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-8 NMSA 1978.

**Removal of board members.** — The governor does not have authority under Article V, Section 5 of the New Mexico Constitution to remove members of the public employee labor relations board created by Section 10-7E-8 NMSA 1978. *AFSCME v. Martinez*, 2011-NMSC-018, 150 N.M. 132, 257 P.3d 952.

### **10-7E-9. Board; powers and duties.**

A. The board or a local board shall promulgate rules necessary to accomplish and perform its functions and duties as established in the Public Employee Bargaining Act, including the establishment of procedures for:

- (1) the designation of appropriate bargaining units;
  - (2) the selection, certification and decertification of exclusive representatives;
- and
- (3) the filing of, hearing on and determination of complaints of prohibited practices.

B. The board or a local board shall:

- (1) hold hearings and make inquiries necessary to carry out its functions and duties;
  - (2) conduct studies on problems pertaining to employee-employer relations;
- and
- (3) request from public employers and labor organizations the information and data necessary to carry out the board's or the local board's functions and responsibilities.

C. The board or a local board may issue subpoenas requiring, upon reasonable notice, the attendance and testimony of witnesses and the production of evidence, including books, records, correspondence or documents relating to the matter in question. The board or a local board may prescribe the form of subpoena, but it shall adhere insofar as practicable to the form used in civil actions in the district court. The board or a local board may administer oaths and affirmations, examine witnesses and receive evidence.

D. The board or a local board shall decide issues by majority vote and each shall issue its decisions in the form of written orders and opinions.

E. The board or a local board may hire personnel or contract with third parties as each deems necessary to assist it in carrying out its functions and each may delegate any or all of its authority to those third parties, subject to final review of the board or local board.

F. The board or a local board each has the power to enforce provisions of the Public Employee Bargaining Act through the imposition of appropriate administrative remedies, actual damages related to dues, back pay including benefits, reinstatement with the same seniority status that the employee would have had but for the violation, declaratory or injunctive relief or provisional remedies, including temporary restraining



orders or preliminary injunctions. No punitive damages or attorney fees may be awarded by the board or local board.

G. Local board rules shall conform to the rules adopted by the board and shall not be effective until approved by an order of the board. On good cause shown, the board may approve rules proposed by a local board, which rules vary from rules of the board. All rules promulgated by a local board shall comply with state law. A rule promulgated by the board or a local board shall not require, directly or indirectly, as a condition of continuous employment, a public employee covered by the Public Employee Bargaining Act to pay money to a labor organization that is certified as an exclusive representative.

H. The board shall maintain current versions of its rules and current versions of the rules of each local board on a publicly accessible website. That website shall also include a current listing of the members of the board and the members of each local board. Each local board shall notify the board, within thirty days of revisions of its rules or changes in its membership, of any such revisions of its rules or changes in its membership.

**History:** Laws 2003, ch. 4, § 9; 2003, ch. 5, § 9; 2020, ch. 48, § 4.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, provided certain powers and duties to local labor boards, and revised certain powers and duties of the public employee labor relations board; added "or a local board" or "and local board" after each occurrence of "board" throughout the section; in Subsection E, after "functions", added "and each may delegate any or all of its authority to those third parties, subject to final review of the board or local board"; in Subsection F, after "administrative remedies", added "actual damages related to dues, back pay including benefits, reinstatement with the same seniority status that the employee would have had but for the violation, declaratory or injunctive relief or provisional remedies, including temporary restraining orders or preliminary injunctions. No punitive damages or attorney fees may be awarded by the board or local board"; in Subsection G, added the first three sentences of the subsection, and deleted "The issue of fair share shall be left a permissive subject of bargaining by the public employer and the exclusive representative of each bargaining unit."; and added Subsection H.

**Retroactive application of statute of limitations.** — The six-month limitation period enacted by 11.21.3.9 NMAC, effective March 15, 2004, did not apply retroactively to bar the plaintiff's claim of breach of the plaintiff's union's duty of fair representation that the plaintiff first became aware of in 2002 and which the plaintiff filed on March 22, 2004. *Akins v. United Steel Workers of Am.*, 2009-NMCA-051, 146 N.M. 237, 208 P.3d 457, *aff'd*, 2010-NMSC-031, 148 N.M. 442, 237 P.3d 744.

**10-7E-10. Local boards; conditions of continued existence; transfer of authority upon termination; prohibition of new local boards.**

A. All local boards shall continue to exist except as provided in Subsections B through J of this section.

B. No later than December 31, 2020, each local board shall submit to the board copies of a revised local ordinance, resolution or charter amendment authorizing continuation of the local board. A local board that fails to meet the submission deadline set forth in this subsection shall cease to exist on January 1, 2021. No later than February 15, 2021, the board shall determine whether the local ordinance, resolution or charter amendment authorizing continuation of a local board provides the same or greater rights to public employees and labor organizations as the Public Employee Bargaining Act, allows for the determination of, and remedies for, an action that would constitute a prohibited practice under the Public Employee Bargaining Act and contains impasse resolution procedures equivalent to those set forth in Section 10-7E-18 NMSA 1978. If the board determines that a local ordinance, resolution or charter amendment authorizing continuation of a local board does not satisfy the requirements of this subsection, defects may be cured by June 30, 2021 or the local board will cease to exist. The board shall certify by written order whether the requirements of this subsection have been met.

C. No later than April 30, 2021, each local board shall submit to the board copies of its rules. A local board that fails to meet the submission deadline set forth in this subsection shall cease to exist on July 1, 2021. No later than May 30, 2021, the board shall determine whether the rules of a local board conform to the rules of the board, or for good cause shown, any variances meet the requirements of the Public Employee Bargaining Act. If the board determines that the rules of a local board do not meet the requirements of this subsection, the local board may cure any defects by June 30, 2021, or it will cease to exist. The board shall certify by written order whether the requirements of this subsection have been met by a local board.

D. A local board existing as of July 1, 2021 shall continue to exist after December 31, 2021 only if it has submitted to the board an affirmation that:

(1) the public employer subject to the local board has affirmatively elected to continue to operate under the local board; and

(2) each labor organization representing employees of the public employer subject to the local board has submitted a written notice to the board that it affirmatively elects to continue to operate under the local board.

E. The affirmation required pursuant to Subsection D of this section shall be submitted to the board by each local board between November 1 and December 31 of each odd-numbered year. A local board that fails to timely submit the affirmation required by this subsection shall cease to exist as of January 1 of the next even-numbered year.

F. Beginning on July 1, 2020, if at any time thereafter a local board has a membership vacancy exceeding sixty days in length, the local board shall cease to exist.

G. A local board may cease to exist upon:

(1) a repeal of the local ordinance, resolution or charter amendment authorizing continuation of the local board; or

(2) a vote of a local board, which vote is filed with the board.

H. Once a local board ceases to exist for any reason, it may not be revived.

I. Whenever a local board ceases to exist, all matters pending before such local board shall be transferred to the board for resolution.

J. After June 30, 2020, no new local board may be created.

**History:** Laws 2003, ch. 4, § 10; 2003, ch. 5, § 10; repealed and reenacted by Laws 2020, ch. 48, § 5.

#### ANNOTATIONS

**Repeals and reenactments.** — Laws 2020, ch. 48, § 5 repealed former 10-7E-10 NMSA 1978 and enacted a new section, effective July 1, 2020.

**Local board selection.** — City ordinance that allows a public employer to select two members of the three-member local board to adjudicate labor-management disputes does not productively allow employees to collectively bargain. *City of Deming v. Deming Firefighters Local 4521*, 2007-NMCA-069, 141 N.M. 686, 160 P.3d 595.

#### 10-7E-11. Repealed.

**History:** Laws 2003, ch. 4, § 11; 2003, ch. 5, § 11; repealed by Laws 2020, ch. 48, § 13.

#### ANNOTATIONS

**Repeals.** — Laws 2020, ch. 48, § 13 repealed 10-7E-11 NMSA 1978, as enacted by Laws 2003, ch. 4, § 11 and Laws 2003, ch. 5, § 11, relating to local board, powers and duties, effective July 1, 2020. For provisions of former section, see the 2019 NMSA 1978 on *NMOneSource.com*.

#### 10-7E-12. Hearing procedures.

A. The board or local board may hold hearings for the purposes of:

- (1) information gathering and inquiry;
- (2) adopting rules; and
- (3) adjudicating disputes and enforcing the provisions of the Public Employee Bargaining Act and rules adopted pursuant to that act.

B. The board or local board shall adopt rules setting forth procedures to be followed during hearings of the board or local board. The procedures adopted for conducting adjudicatory hearings shall meet all minimal due process requirements of the state and federal constitutions.

C. The board or local board may appoint a hearing examiner to conduct any adjudicatory hearing authorized by the board or local board. At the conclusion of the hearing, the examiner shall prepare a written report, including findings and recommendations, all of which shall be submitted to the board or local board for its decision.

D. A rule proposed to be adopted by the board or local board that affects a person or governmental entity outside of the board or local board and its staff shall not be adopted, amended or repealed without public hearing and comment on the proposed action before the board or local board. The public hearing shall be held after notice of the subject matter of the rule, the action proposed to be taken, the time and place of the hearing, the manner in which interested persons may present their views and the method by which copies of the proposed rule, proposed amendment or repeal of an existing rule may be obtained. All meetings of the board shall be held in New Mexico. All meetings of local boards shall be held in the county of residence of the local public employer. Notice shall be published once at least thirty days prior to the hearing date in a newspaper of general circulation in the state or, in the case of a local board hearing, in a newspaper of general circulation in the county, and notice shall be mailed at least thirty days prior to the hearing date to all persons who have made a written request for advance notice of hearings.

E. All adopted rules shall be filed in accordance with applicable state statutes.

F. A verbatim record made by electronic or other suitable means shall be made of every rulemaking and adjudicatory hearing. The record shall not be transcribed unless required for judicial review or unless ordered by the board or local board.

**History:** Laws 2003, ch. 4, § 12 and by Laws 2003, ch. 5, § 12; 2005, ch. 137, § 1.

### **ANNOTATIONS**

**The 2005 amendment**, effective June 17, 2005, deleted the requirement that all board meetings be held in Santa Fe. As amended, the section provides in Subsection D that the public employee labor relations board may hold meetings in Albuquerque.

### **10-7E-13. Appropriate bargaining units.**

A. The board or local board shall, upon receipt of a petition for a representation election filed by a labor organization, designate the appropriate bargaining units for collective bargaining. Appropriate bargaining units shall be established on the basis of occupational groups or clear and identifiable communities of interest in employment terms and conditions and related personnel matters among the public employees involved. Occupational groups shall generally be identified as blue-collar, secretarial clerical, technical, professional, paraprofessional, police, fire and corrections. The parties, by mutual agreement, may further consolidate occupational groups. Essential factors in determining appropriate bargaining units shall include the principles of efficient administration of government, the history of collective bargaining and the assurance to public employees of the fullest freedom in exercising the rights guaranteed by the Public Employee Bargaining Act.

B. Within thirty days of a disagreement arising between a public employer and a labor organization concerning the composition of an appropriate bargaining unit, the board or local board shall hold a hearing concerning the composition of the bargaining unit before designating an appropriate bargaining unit.

C. The board or local board shall not include in an appropriate bargaining unit supervisors, managers or confidential employees.

D. Jobs included within a bargaining unit pursuant to a local ordinance in effect on January 1, 2020 shall remain in that bargaining unit.

**History:** Laws 2003, ch. 4, § 13; 2003, ch. 5, § 13; 2020, ch. 48, § 6.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, provided that jobs included within a bargaining unit pursuant to a local ordinance in effect on January 1, 2020 shall remain in that bargaining unit; and added Subsection D.

**Community interest.** — Where the labor management board decided that the appropriate bargaining unit of the college would include full time faculty and instructional professionals with 100% instructional duties and excluded instructional professionals with less than 100% instructional duties who worked part-time performing administrative duties; faculty and instructional professionals worked under different contracts that covered different time periods, operated under different employee handbooks, had different ways of presenting grievances, received different benefits, and were subject to different lines of supervision; and instructional professionals with less than 100% instructional duties received more compensation because to their administrative duties, notwithstanding the differences between faculty and instructional professionals, faculty and instructional professionals whose exclusive job was teaching had the community of interest required to establish a proper bargaining unit and the board's decision was

supported by substantial evidence. *San Juan Coll. v. San Juan Coll. Labor Mgmt. Bd.*, 2011-NMCA-117, 267 P.3d 101.

## **10-7E-14. Elections.**

A. Whenever, in accordance with rules prescribed by the board or local board, a petition is filed by a labor organization containing the signatures of at least thirty percent of the public employees in an appropriate bargaining unit, the board or local board shall conduct a secret ballot representation election to determine whether and by which labor organization the public employees in the appropriate bargaining unit shall be represented. Upon acceptance of a valid petition, the board or a local board shall require the public employer to provide the labor organization within ten business days the names, job titles, work locations, home addresses, personal email addresses and home or cellular telephone numbers of any public employee in the proposed bargaining unit. This information shall be kept confidential by the labor organization and its employees or officers. The ballot shall contain the name of any labor organization submitting a petition containing signatures of at least thirty percent of the public employees in the appropriate bargaining unit. The ballot shall also contain a provision allowing public employees to indicate whether they do not desire to be represented by a labor organization. An election shall only be valid if forty percent of the eligible employees in the bargaining unit vote in the election.

B. Once a labor organization has filed a valid petition with the board or local board calling for a representation election, other labor organizations may seek to be placed on the ballot. Such an organization shall file a petition containing the signatures of not less than thirty percent of the public employees in the appropriate bargaining unit no later than ten days after the board or the local board and the public employer post a written notice that the petition in Subsection A of this section has been filed by a labor organization.

C. As an alternative to the provisions of Subsection A of this section, a labor organization with a reasonable basis for claiming to represent a majority of the employees in an appropriate bargaining unit may submit authorization cards from a majority of the employees in an appropriate bargaining unit to the board or local board, which shall, upon verification that a majority of the employees in the appropriate bargaining unit have signed valid authorization cards, certify the labor organization as the exclusive representative of all public employees in the appropriate bargaining unit. The employer may challenge the verification of the board or local board; the board or local board shall hold a fact-finding hearing on the challenge to confirm that a majority of the employees in the appropriate bargaining unit have signed valid authorization cards.

D. If a labor organization receives a majority of votes cast, it shall be certified as the exclusive representative of all public employees in the appropriate bargaining unit. Within fifteen days of an election in which no labor organization receives a majority of the votes cast, a runoff election between the two choices receiving the largest number of votes cast shall be conducted. The board or local board shall certify the results of the

election, and, when a labor organization receives a majority of the votes cast, the board or local board shall certify the labor organization as the exclusive representative of all public employees in the appropriate bargaining unit.

E. An election shall not be conducted if an election or runoff election has been conducted in the twelve-month period immediately preceding the proposed representation election. An election shall not be held during the term of an existing collective bargaining agreement, except as provided in Section 10-7E-16 NMSA 1978.

**History:** Laws 2003, ch. 4, § 14; 2003, ch. 5, § 14; 2020, ch. 48, § 7.

## **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, revised certain bargaining unit election procedures; in Subsection A, added "Upon acceptance of a valid petition, the board or a local board shall require the public employer to provide the labor organization within ten business days the names, job titles, work locations, home addresses, personal email addresses and home or cellular telephone numbers of any public employee in the proposed bargaining unit. This information shall be kept confidential by the labor organization and its employees or officers."; in Subsection C, after "Subsection A of this section", deleted "a public employer and", after "appropriate bargaining unit may", deleted "establish an alternative appropriate procedure for determining majority status. The procedure may include a labor organization's submission of" and added "submit", after "an appropriate bargaining unit", deleted "The board or local board shall not certify an appropriate bargaining unit if the public employer objects to the certification without an election" and added the remainder of the subsection; and in Subsection E, changed "Section 16 of the Public Employee Bargaining Act" to "10-7E-16 NMSA 1978".

### **10-7E-15. Exclusive representation.**

A. A labor organization that has been certified by the board or local board as representing the public employees in the appropriate bargaining unit shall be the exclusive representative of all public employees in the appropriate bargaining unit. The exclusive representative shall act for all public employees in the appropriate bargaining unit and negotiate a collective bargaining agreement covering all public employees in the appropriate bargaining unit. The exclusive representative shall represent the interests of all public employees in the appropriate bargaining unit without discrimination or regard to membership in the labor organization. A claim by a public employee that the exclusive representative has violated this duty of fair representation shall be forever barred if not brought within six months of the date on which the public employee knew, or reasonably should have known, of the violation.

B. This section does not prevent a public employee, acting individually, from presenting a grievance without the intervention of the exclusive representative. At a hearing on a grievance brought by a public employee individually, the exclusive representative shall be afforded the opportunity to be present and make its views

known. An adjustment made shall not be inconsistent with or in violation of the collective bargaining agreement then in effect between the public employer and the exclusive representative.

C. A public employer shall provide an exclusive representative of an appropriate bargaining unit reasonable access to employees within the bargaining unit, including the following:

(1) for purposes of newly hired employees in the bargaining unit, reasonable access includes:

(a) the right to meet with new employees, without loss of employee compensation or leave benefits; and

(b) the right to meet with new employees within thirty days from the date of hire for a period of at least thirty minutes but not more than one hundred twenty minutes, during new employee orientation or, if the public employer does not conduct new employee orientations, at individual or group meetings; and

(2) for purposes of employees in the bargaining unit who are not new employees, reasonable access includes:

(a) the right to meet with employees during the employees' regular work hours at the employees' regular work location to investigate and discuss grievances, workplace-related complaints and other matters relating to employment relations; and

(b) the right to conduct meetings at the employees' regular work location before or after the employees' regular work hours, during meal periods and during any other break periods.

D. A public employer shall permit an exclusive representative to use the public employer's facilities or property, whether owned or leased by the employer, for purposes of conducting meetings with the represented employees in the bargaining unit. An exclusive representative may hold the meetings described in this section at a time and place set by the exclusive representative. The exclusive representative shall have the right to conduct the meetings without undue interference and may establish reasonable rules regarding appropriate conduct for meeting attendees.

E. The meetings described in this section shall not interfere with the public employer's operations.

F. If a public employer has the information in the employer's records, the public employer shall provide to the exclusive representative, in an editable digital file format agreed to by the exclusive representative, the following information for each employee in an appropriate bargaining unit:



- (1) the employee's name and date of hire;
- (2) contact information, including:
  - (a) cellular, home and work telephone numbers;
  - (b) a means of electronic communication, including work and personal electronic mail addresses; and
  - (c) home address or personal mailing address; and
- (3) employment information, including the employee's job title, salary and work site location.

G. The public employer shall provide the information described in Subsection F of this section to the exclusive representative within ten days from the date of hire for newly hired employees in an appropriate bargaining unit, and every one hundred twenty days for employees in the bargaining unit who are not newly hired employees. The information shall be kept confidential by the labor organization and its employees or officers. Apart from the disclosure required by this subsection, and notwithstanding any provision contained in the Inspection of Public Records Act [Chapter 14, Article 3 NMSA 1978], the public employer shall not disclose the information described in Subsection F of this section, or public employees' dates of birth or social security numbers to a third party.

H. An exclusive representative shall have the right to use the electronic mail systems or other similar communication systems of a public employer to communicate with the employees in the bargaining unit regarding:

- (1) collective bargaining, including the administration of collective bargaining agreements;
- (2) the investigation of grievances or other disputes relating to employment relations; and
- (3) matters involving the governance or business of the labor organization.

I. Nothing in this section prevents a public employer from providing an exclusive representative access to employees within the bargaining unit beyond the reasonable access required under this section, or limits any existing right of a labor organization to communicate with public employees.

**History:** Laws 2003, ch. 4, § 15; 2003, ch. 5, § 15; 2020, ch. 48, § 8.

## **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, required public employers to grant an exclusive union representative reasonable access to and information concerning bargaining unit employees, as well as use of public employees' facilities or property; in Subsection A, added "A claim by a public employee that the exclusive representative has violated this duty of fair representation shall be forever barred if not brought within six months of the date on which the public employee knew, or reasonably should have known, of the violation."; and added Subsections C through I.

### **10-7E-16. Decertification of exclusive representative.**

A. A member of a labor organization or the labor organization itself may initiate decertification of a labor organization as the exclusive representative if thirty percent of the public employees in the appropriate bargaining unit make a written request to the board or local board for a decertification election. Decertification elections shall be held in a manner prescribed by rule of the board. An election shall only be valid if forty percent of the eligible employees in the bargaining unit vote in the election.

B. When there is a collective bargaining agreement in effect, a request for a decertification election shall be made to the board or local board no earlier than ninety days and no later than sixty days before the expiration of the collective bargaining agreement; provided, however, a request for an election may be filed at any time after the expiration of the third year of a collective bargaining agreement with a term of more than three years.

C. When, within the time period prescribed in Subsection B of this section, a competing labor organization files a petition containing signatures of at least thirty percent of the public employees in the appropriate bargaining unit, a representation election rather than a decertification election shall be conducted.

D. When an exclusive representative has been certified but no collective bargaining agreement is in effect, the board or local board shall not accept a request for a decertification election or an election sought by a competing labor organization earlier than twelve months subsequent to a labor organization's certification as the exclusive representative.

**History:** Laws 2003, ch. 4, § 16; 2003, ch. 5, § 16; 2020, ch. 48, § 9.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, prohibited a competing labor organization from seeking an election within twelve months of initial certification; and in Subsection D, after "decertification election", added "or an election sought by a competing labor organization".

### **10-7E-17. Scope of bargaining.**

A. Except for retirement programs provided pursuant to the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978] or the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978], public employers and exclusive representatives:

(1) shall bargain in good faith on wages, hours and all other terms and conditions of employment and other issues agreed to by the parties. However, neither the public employer nor the exclusive representative shall be required to agree to a proposal or to make a concession; and

(2) shall enter into written collective bargaining agreements covering employment relations. Entering into a collective bargaining agreement shall not obviate the duty to bargain in good faith during the term of the collective bargaining agreement regarding changes to wages, hours and all other terms and conditions of employment, unless it can be demonstrated that the parties clearly and unmistakably waived the right to bargain regarding those subjects. However, no party may be required, by this provision, to renegotiate the existing terms of collective bargaining agreements already in place.

B. In regard to the Public Employees Retirement Act and the Educational Retirement Act, a public employer in a written collective bargaining agreement may agree to assume any portion of a public employee's contribution obligation to retirement programs provided pursuant to the Public Employees Retirement Act or the Educational Retirement Act. Such agreements are subject to the limitations set forth in this section.

C. The obligation to bargain collectively imposed by the Public Employee Bargaining Act shall not be construed as authorizing a public employer and an exclusive representative to enter into an agreement that is in conflict with the provisions of any other statute of this state; provided, however, that a collective bargaining agreement that provides greater rights, remedies and procedures to public employees than contained in a state statute shall not be considered to be in conflict with that state statute. In the event of an actual conflict between the provisions of any other statute of this state and an agreement entered into by the public employer and the exclusive representative in collective bargaining, the statutes of this state shall prevail.

D. Payroll deduction of the exclusive representative's membership dues shall be a mandatory subject of bargaining if either party chooses to negotiate the issue. The amount of dues shall be certified in writing by an official of the labor organization and shall not include special assessments, penalties or fines of any type. The public employer shall honor payroll deductions until the authorization is revoked in writing by the public employee in accordance with the negotiated agreement and this subsection and for so long as the labor organization is certified as the exclusive representative. Public employees who have authorized the payroll deduction of dues to a labor organization may revoke that authorization by providing written notice to their labor organization during a window period not to exceed ten days per year for each employee. The public employer and the labor organization shall negotiate when the commencement of that period will begin annually for each employee. If no agreement is

reached, the period shall be during the ten days following the anniversary date of each employee's employment. Within ten days of receipt of notice from a public employee of revocation of authorization for the payroll deduction of dues, the labor organization shall provide notice to the public employer of a public employee's revocation of that authorization. A public employee's notice of revocation for the payroll deduction of dues shall be effective on the thirtieth day after the notice provided to the public employer by the labor organization. No authorized payroll deduction of dues held by a public employer or a labor organization on July 1, 2020 shall be rendered invalid by this provision and shall remain valid until replaced or revoked by the public employee. During the time that a board certification is in effect for a particular appropriate bargaining unit, the public employer shall not deduct dues for any other labor organization.

E. Public employers and a labor organization, or their employees or agents, are not liable for, and have a complete defense to, any claims or actions under the law of this state for requiring, deducting, receiving or retaining fair share dues or fees from public employees, and current or former public employees do not have standing to pursue these claims or actions if the fair share dues or fees were permitted at the time under the laws of this state then in force and paid, through payroll deduction or otherwise, on or before June 27, 2018. This subsection:

(1) applies to all claims and actions pending on July 1, 2020 and to claims and actions filed on or after July 1, 2020; and

(2) shall not be interpreted to infer that any relief made unavailable by this section would otherwise be available.

F. The scope of bargaining for the exclusive representative and the state shall include enhancements of employee rights and benefits existing pursuant to the Personnel Act [Chapter 10, Article 9 NMSA 1978].

G. The scope of bargaining for representatives of public schools as well as educational employees in state agencies shall include, as a mandatory subject of bargaining, the impact of professional and instructional decisions made by the employer.

H. An impasse resolution or an agreement provision by the state and an exclusive representative that requires the expenditure of funds shall be contingent upon the specific appropriation of funds by the legislature and the availability of funds. An impasse resolution or an agreement provision by a public employer other than the state or the public schools and an exclusive representative that requires the expenditure of funds shall be contingent upon the specific appropriation of funds by the appropriate governing body and the availability of funds. An agreement provision by a local school board and an exclusive representative that requires the expenditure of funds shall be contingent upon ratification by the appropriate governing body. An arbitration decision shall not require the reappropriation of funds.

I. An agreement shall include a grievance procedure to be used for the settlement of disputes pertaining to employment terms and conditions and related personnel matters. The grievance procedure shall provide for a final and binding determination. The final determination shall constitute an arbitration award within the meaning of the Uniform Arbitration Act [44-7A-1 to 44-7A-32 NMSA 1978]; such award shall be subject to judicial review pursuant to the standard set forth in the Uniform Arbitration Act. The costs of an arbitration proceeding conducted pursuant to this subsection shall be shared equally by the parties.

J. The following meetings shall be closed:

(1) meetings for the discussion of bargaining strategy preliminary to collective bargaining negotiations between the public employer and the exclusive representative of the public employees of the public employer;

(2) collective bargaining sessions; and

(3) consultations and impasse resolution procedures at which the public employer and the exclusive representative of the appropriate bargaining unit are present.

**History:** Laws 2003, ch. 4, § 17; 2003, ch. 5, § 17; 2020, ch. 48, § 10.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, revised the scope of bargaining provisions, including allowing parties to bargain regarding a public employer assuming a portion of public employees' retirement contributions, clarifying that a collective bargaining agreement that provides greater rights, remedies and procedures than contained in a state statute shall not be considered to be in conflict with that state statute, dictating procedures regarding how and when dues deductions are determined, and providing that bargaining shall include enhancements of employee rights and benefits existing pursuant to the Personnel Act; in Subsection A, Paragraph A(2), after "written collective bargaining agreements covering employment relations", added the remainder of the paragraph; added a new Subsection B and redesignated former Subsections B and C as Subsections C and D, respectively; in Subsection C, after "any other statute of this state", added "provided, however, that a collective bargaining agreement that provides greater rights, remedies and procedures to public employees than contained in a state statute shall not be considered to be in conflict with that state statute", and after "In the event of", added "an actual"; in Subsection D, after "in accordance with the negotiated agreement", added "and this subsection", and added "Public employees who have authorized the payroll deduction of dues to a labor organization may revoke that authorization by providing written notice to their labor organization during a window period not to exceed ten days per year for each employee. The public employer and the labor organization shall negotiate when the commencement of that period will begin annually for each employee. If no agreement is

reached, the period shall be during the ten days following the anniversary date of each employee's employment. Within ten days of receipt of notice from a public employee of revocation of authorization for the payroll deduction of dues, the labor organization shall provide notice to the public employer of a public employee's revocation of that authorization. A public employee's notice of revocation for the payroll deduction of dues shall be effective on the thirtieth day after the notice provided to the public employer by the labor organization. No authorized payroll deduction of dues held by a public employer or a labor organization on July 1, 2020 shall be rendered invalid by this provision and shall remain valid until replaced or revoked by the public employee"; and added new Subsections E and F and redesignated the remaining subsections accordingly.

**A non-union member of a collective bargaining unit is subject to arbitration provisions of a collective bargaining agreement.** — Where petitioner was a regular full-time non-probationary sworn police officer employed by the municipal police department and a member of the collective bargaining unit covered by the union's collective bargaining agreement; petitioner did not join the union, did not pay union dues, and never sought assistance from the union; the municipality recognized the union as the exclusive collective bargaining representative for regular full-time non-probationary sworn police officers; and petitioner initiated a grievance procedure to challenge petitioner's termination, petitioner was a public employee, working for a public employer and was subject to the Public Employee Bargaining Act, the collective bargaining agreement, and the requirements of the collective bargain agreement and the act that petitioner's grievance challenging petitioner's termination was subject to binding arbitration. *Luginbuhl v. City of Gallup*, 2013-NMCA-053, 302 P.3d 751.

**A collective bargaining agreement was supported by adequate consideration.** — Where petitioner was a police officer employed by the municipal police department, a member of the collective bargaining unit, and subject to the union's collective bargaining agreement; petitioner did not join the union, did not pay union dues, and never sought assistance from the union; and petitioner enjoyed the benefits of the collective bargaining agreement, including increased compensation for serving as a member of the municipal emergency response team, vacation and holiday pay, a clothing allowance, and seniority rights, the collective bargaining agreement was supported by adequate consideration and the arbitration provision of the agreement was enforceable as to petitioner. *Luginbuhl v. City of Gallup*, 2013-NMCA-053, 302 P.3d 751.

**A collective bargaining agreement was not vague.** — Where petitioner was a police officer employed by the municipal police department and a member of the collective bargaining unit; the collective bargaining agreement provided a four-step grievance process that culminated in arbitration; the arbitration clause applied to written disputes regarding disciplinary action; the arbitration process was set forth in detail; and petitioner initiated a written dispute by engaging in the grievance process to challenge petitioner's termination, the arbitration clause was not vague or uncertain in its application to petitioner. *Luginbuhl v. City of Gallup*, 2013-NMCA-053, 302 P.3d 751.

**The arbitration provision of a collective bargaining agreement provided an adequate remedy at law for disputes.** — Where petitioner was a police officer employed by the municipal police department and a member of the collective bargaining unit; the collective bargaining agreement provided a four-step grievance process that culminated in arbitration; and petitioner had the statutory right to appeal any arbitration decision to the district court, arbitration provided an adequate and complete forum and remedy at law for disputes governed by the collective bargaining agreement, including petitioner's grievance challenging petitioner's termination. *Luginbuhl v. City of Gallup*, 2013-NMCA-053, 302 P.3d 751.

**Failure to implement wage increase due to economic considerations.** — Where a collective bargaining agreement provided for annual wage increases for the second and third fiscal years of the three year term of the agreement contingent upon city council approval pursuant to the city's labor management relations ordinance; the ordinance provided that in order for a collective bargaining agreement to be approved by the city council, the city council had to approve the economic components of the contract and adopt a resolution providing an appropriation to cover the cost of the contract; because of a revenue shortfall, the city council adopted a budget that did not include funding for wage increases for the third fiscal year as required by the agreement, and the city had sufficient funds to cover the wage increases, the city breached the agreement when it failed to implement the wage increases for the third fiscal year because the city council had appropriated the funding to cover the cost of wage increases for the third fiscal year when it initially approved the agreement pursuant to the ordinance. *Albuquerque Police Officers' Ass'n v. City of Albuquerque*, 2013-NMCA-110, cert. denied, 2013-NMCERT-011.

**Management-rights clause.** — A union's waiver of its right to mandatory bargaining under a management-rights clause, which gives management rights not limited by a collective bargaining agreement, will not be inferred unless it is clear and unmistakable that the union was aware of its rights and made the conscious choice to waive its rights. *County of Los Alamos v. Martinez*, 2011-NMCA-027, 150 N.M. 326, 258 P.3d 118.

Where the county and the firefighters union were parties to a collective bargaining agreement; the agreement contained a management-rights clause that gave the county certain specific operational and policy rights, as well as all rights not specifically limited by the contract; the county entered into contracts with individual firemen to provide for voluntary paramedic training which specified terms of employment during and after the training program; the paramedic training contracts were not covered by the collective bargaining agreement; and the paramedic training contracts were mandatory subjects of bargaining, the union did not clearly and unmistakably waive its right to bargain for the paramedic training contracts. *County of Los Alamos v. Martinez*, 2011-NMCA-027, 150 N.M. 326, 258 P.3d 118.

**"Zipper" clause.** — A "zipper" clause, which provides that a collective bargaining agreement is the complete and only agreement between the parties on all subjects and that the parties waive the right to bargain with respect to any other matter not

specifically referred to in the agreement, is to be given such effect as the bargaining posture, past practices and agreements of the parties indicate. *County of Los Alamos v. Martinez*, 2011-NMCA-027, 150 N.M. 326, 258 P.3d 118.

Where the county and the firefighters union were parties to a collective bargaining agreement; the agreement contained a "zipper" clause which provided that the agreement was the complete and only agreement between the parties, that all mandatory subjects of collective bargaining had been negotiated, and that each party waived the right to bargain collectively as to any subject not specifically covered by the agreement; the county entered into contracts with individual firemen to provide for voluntary paramedic training which specified terms of employment during and after the training program; the paramedic training contracts were not covered by the collective bargaining agreement; the paramedic training contracts were mandatory subjects of bargaining; and there was no evidence about the bargaining history, expectations of the parties, past practices, or surrounding circumstances of the parties' collective bargaining, the district court did not err in finding that the union did not waive its right to bargain for the paramedic training contracts based on the "zipper" clause. *County of Los Alamos v. Martinez*, 2011-NMCA-027, 150 N.M. 326, 258 P.3d 118.

**An arbitration award that requires a public employer other than the state to expend funds is contingent upon the appropriation and availability of funds.**

*International Assn. of Firefighters v. City of Carlsbad*, 2009-NMCA-097, 147 N.M. 6, 216 P.3d 256, cert. denied, 2009-NMCERT-007, 147 N.M. 361, 223 P.3d 358.

**Arbitration decision contingent upon appropriation of funds.** — Where a municipality and a union reached an impasse in their negotiations over wages; the parties entered into an agreement to resolve the impasse by arbitration and selected an arbitrator; the arbitrator entered an arbitration award pursuant to Section 10-7E-18 NMSA 1978 that awarded a wage increase to the union; and the municipality did not appropriate funds to pay the wage increase, the union could not enforce the arbitration award by an action in district court, because under Section 10-7E-17 NMSA 1978, the arbitration award was contingent upon the appropriation and availability of funds. *International Assn. of Firefighters v. City of Carlsbad*, 2009-NMCA-097, 147 N.M. 6, 216 P.3d 256, cert. denied, 2009-NMCERT-007, 147 N.M. 361, 223 P.3d 358.

**Arbitration decision did not require the reappropriation of funds.** — Where the state and the unions entered into collective bargaining agreements that covered salary increases for union employees in fiscal year 2009; the state determined that the legislature had not appropriated sufficient funds to cover the full salary increases for union employees and implemented salary increases for all employees that differed from those required by the agreements; the arbitrator determined that the Legislature had appropriated sufficient funds to cover the salary increases required by the agreements and that the state's pay package violated the terms of the agreements; and the arbitrator directed the state to adjust the union employee's salary levels for fiscal year 2010 to reflect the level they would have been had the salary increases been provided as required by the agreements, the arbitrator's award did not violate Subsection E of



Section 10-7E-17 NMSA 1978. *State v. AFSCME Council 18*, 2012-NMCA-114, 291 P.3d 600, cert. granted, 2012-NMCERT-011.

**Lack of evergreen clause.** — Where the municipality and labor unions reached an impasse in negotiations to replace existing collective bargaining agreements; the municipal labor management ordinance did not require that expiring collective bargaining agreements continue in full force and effect until replaced by subsequent agreements; and no municipal appropriation had occurred to extend the agreements and the municipality did not have available funds to fund the economic components of the extension of the agreements, the Public Employee Bargaining Act did not apply to the economic components of the existing agreements because provisions of collective bargaining agreements that require an expenditure of funds are subject to Subsection E of Section 10-7E-17 NMSA 1978, which requires the specific appropriation and availability of funds and the Act did not require the extension of the existing agreements in conflict with Subsection E of Section 10-7E-17 NMSA 1978. *AFSCME Council 18 v. City of Albuquerque*, 2013-NMCA-012, 293 P.3d 943, cert. granted, 2013-NMCERT-001.

**Collective bargaining procedures were exempt from the evergreen provision.** — Where the municipality's labor-management relations ordinance, which was adopted in 1974, included impasse resolution procedures through mediation and arbitration, but did not require that expired collective bargaining agreements remain in effect until successor agreements were reached; when the collective bargaining agreements between the municipality and the unions expired and the parties were unable to agree upon successor agreements, the municipality refused to honor a provision of the expired agreements that required the municipality to compensate union members for union business conducted during municipality work time; and the unions argued that the municipality was required to comply with the evergreen provision of Subsection D of Section 10-7E-18 NMSA 1978 regardless of the grandfather status of the municipality's ordinance, the municipality's collective bargaining procedures were exempt, under Subsection A of Section 10-7E-26 NMSA 1978, from compliance with the evergreen provision. *AFSCME Council 18 v. City of Albuquerque*, 2013-NMCA-063, 304 P.3d 443, cert. quashed, 2013-NMCERT-009.

**Appointment of interim board member by municipality did not violate the grandfather clause requirement.** — Where a municipal ordinance required the president of the city council to appoint an interim member of the municipal labor-management relations board when the board met during the absence of a regular board member; the ordinance had been grandfathered under the Public Employee Bargaining Act; the president was an elected city councilor who was elected as president by city council members; and the president did not perform any executive functions, the president did not serve in either a "management" or a "labor" capacity and the procedure by which the president appointed an interim board member during the absence of a regular board member did not violate the act's grandfather clause requirement that a local ordinance create a system of collective bargaining. *City of*

*Albuquerque v. Montoya*, 2012-NMSC-007, 274 P.3d 108, *rev'g* 2010-NMCA-100, 148 N.M. 930, 242 P.3d 497.

**Appointment of interim board member by municipality.** — The grandfather clause does not apply to the provision of a municipal labor-management relations ordinance which provides that if one of the appointed local board members is absent, the president of the city council shall appoint an interim board member from the public at large with due regard to the representative character of the local board because the ordinance did not permit employees to bargain collectively. *City of Albuquerque v. Montoya*, 2010-NMCA-100, 148 N.M. 930, 242 P.3d 497, cert. granted, 2010-NMCERT-010, 149 N.M. 64, 243 P.3d 1146, *rev'd*, 2012-NMSC-007, 274 P.3d 108.

### **10-7E-18. Impasse resolution.**

A. The following negotiations and impasse procedures shall be followed by the state and exclusive representatives for state employees:

(1) a request to the state for the commencement of initial negotiations shall be filed in writing by the exclusive representative no later than June 1 of the year in which negotiations are to take place. Negotiations shall begin no later than July 1 of that year;

(2) in subsequent years, negotiations agreed to by the parties shall begin no later than August 1 following the submission of written notice to the state by the exclusive representative no later than July 1 of the year in which negotiations are to take place;

(3) if an impasse occurs during negotiations between the parties, either party may request mediation services from the board. A mediator from the federal mediation and conciliation service shall be assigned by the board to assist in negotiations unless the parties agree to another mediator;

(4) the mediator shall provide services to the parties until the parties reach agreement or the mediator believes that mediation services are no longer helpful or until thirty days after the mediator was requested, whichever occurs first; and

(5) if the impasse continues after the time described in Paragraph (4) of this subsection, either party may request a list of seven arbitrators from the federal mediation and conciliation service. One arbitrator shall be chosen by the parties by alternately striking names from such list. Who strikes first shall be determined by coin toss. The arbitrator shall render a final, binding, written decision resolving unresolved issues pursuant to Subsection H of Section 10-7E-17 NMSA 1978 and the Uniform Arbitration Act [44-7A-1 to 44-7A-32 NMSA 1978] no later than thirty days after the arbitrator has been notified of selection by the parties. The arbitrator's decision shall be limited to a selection of one of the two parties' complete, last, best offer. The costs of an arbitrator and the arbitrator's related costs conducted pursuant to this subsection shall be shared equally by the parties. Each party shall be responsible for bearing the

cost of presenting its case. The decision shall be subject to judicial review pursuant to the standard set forth in the Uniform Arbitration Act.

B. The following impasse procedures shall be followed by all public employers and exclusive representatives, except the state and the state's exclusive representatives:

(1) if an impasse occurs, either party may request from the board or local board that a mediator be assigned to the negotiations unless the parties can agree on a mediator. A mediator with the federal mediation and conciliation service shall be assigned by the board or local board to assist negotiations unless the parties agree to another mediator; and

(2) if the impasse continues after a thirty-day mediation period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. One arbitrator shall be chosen by the parties by alternately striking names from such list. Who strikes first shall be determined by coin toss. The arbitrator shall render a final, binding, written decision resolving unresolved issues pursuant to Subsection H of Section 10-7E-17 NMSA 1978 and the Uniform Arbitration Act no later than thirty days after the arbitrator has been notified of selection by the parties. The arbitrator's decision shall be limited to a selection of one of the two parties' complete, last, best offer. The costs of an arbitrator and the arbitrator's related costs conducted pursuant to this subsection shall be shared equally by the parties. Each party shall be responsible for bearing the cost of presenting its case. The decision shall be subject to judicial review pursuant to the standard set forth in the Uniform Arbitration Act.

C. A public employer other than the state may enter into a written agreement with the exclusive representative setting forth an alternative impasse resolution procedure.

D. In the event that an impasse continues after the expiration of a contract, the existing contract will continue in full force and effect until it is replaced by a subsequent written agreement. However, this shall not require the public employer to increase any employees' levels, steps or grades of compensation contained in the existing contract.

**History:** Laws 2003, ch. 4, § 18; 2003, ch. 5, § 18; 2020, ch. 48, § 11.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, removed certain deadlines for resolving an impasse; in Subsection A, Paragraph A(3), after "between the parties", deleted "and if an agreement is not reached by the parties by October 1", in Paragraph A(4), after "helpful or until", deleted "November 1" and added "thirty days after the mediator was requested", in Paragraph A(5), after "impasse continues after", deleted "November 1" and added "the time described in Paragraph (4) of this subsection"; and in Paragraphs A(5) and B(2), after "Subsection", deleted "E" and added "H", and changed "Section 17 of the Public Employee Bargaining Act" to "10-7E-17 NMSA 1978".

**Impasse arbitration.** — In public-sector arbitration under the Public Employee Bargaining Act, the arbitrator is required to select an offer in its entirety and cannot decide particular matters on an issue-by-issue basis. *National Union of Hosp. Emps. v. Board of Regents*, 2010-NMCA-102, 149 N.M. 107, 245 P.3d 51, cert. denied, 2010-NMCERT-010, 149 N.M. 64, 243 P.3d 1146.

**Arbitrator exceeded authority by permitting modification of final offers.** — Where a public sector employer and a union reached an impasse in the negotiation of a new collective bargaining agreement and the impasse was submitted to arbitration pursuant to the Public Employee Bargaining Act; during the arbitration hearing, the arbitrator permitted the union to make a revised offer and to modify the revised offer several times and asked the parties to confer in an effort to narrow the issues; and at the conclusion of the hearing, the arbitrator suggested modifications of the party's offers that would be more to the liking of the arbitrator and directed the parties to submit modified offers, the arbitrator exceeded the arbitrator's authority under the Public Employee Bargaining Act requiring the arbitrator's award to be vacated on the ground of misconduct under the Uniform Arbitration Act. *National Union of Hosp. Emps. v. Board of Regents*, 2010-NMCA-102, 149 N.M. 107, 245 P.3d 51, cert. denied, 2010-NMCERT-010, 149 N.M. 64, 243 P.3d 1146.

**An arbitration award that requires a public employer other than the state to expend funds is contingent upon the appropriation and availability of funds.** *International Assn. of Firefighters v. City of Carlsbad*, 2009-NMCA-097, 147 N.M. 6, 216 P.3d 256, cert. denied, 2009-NMCERT-007, 147 N.M. 361, 223 P.3d 358.

**Arbitration decision contingent upon appropriation of funds.** — Where a municipality and a union reached an impasse in their negotiations over wages; the parties entered into an agreement to resolve the impasse by arbitration and selected an arbitrator; the arbitrator entered an arbitration award pursuant to Section 10-7E-18 NMSA 1978 that awarded a wage increase to the union; and the municipality did not appropriate funds to pay the wage increase, the union could not enforce the arbitration award by an action in district court because, under Section 10-7E-17 NMSA 1978, the arbitration award was contingent upon the appropriation and availability of funds. *International Assn. of Firefighters v. City of Carlsbad*, 2009-NMCA-097, 147 N.M. 6, 216 P.3d 256, cert. denied, 2009-NMCERT-007, 147 N.M. 361, 223 P.3d 358.

**Lack of evergreen clause.** — Where the municipality and labor unions reached an impasse in negotiations to replace existing collective bargaining agreements; the municipal labor management ordinance did not require that expiring collective bargaining agreements continue in full force and effect until replaced by subsequent agreements; and no municipal appropriation had occurred to extend the agreements and the municipality did not have available funds to fund the economic components of the extension of the agreements, the Public Employee Bargaining Act did not apply to the economic components of the existing agreements because provisions of collective bargaining agreements that require an expenditure of funds are subject to Subsection E of Section 10-7E-17 NMSA 1978, which requires the specific appropriation and

availability of funds and the Act did not require the extension of the existing agreements in conflict with Subsection E of Section 10-7E-17 NMSA 1978. *AFSCME Council 18 v. City of Albuquerque*, 2013-NMCA-012, 293 P.3d 943, cert. granted, 2013-NMCERT-001.

### **10-7E-19. Public employers; prohibited practices.**

A public employer or the public employer's representative shall not:

A. discriminate against a public employee with regard to terms and conditions of employment because of the employee's membership in a labor organization;

B. interfere with, restrain or coerce a public employee in the exercise of a right guaranteed pursuant to the Public Employee Bargaining Act or use public funds to influence the decision of its employees or the employees of its subcontractors regarding whether to support or oppose a labor organization that represents or seeks to represent those employees, or whether to become a member of any labor organization; provided, however, that this subsection does not apply to activities performed or expenses incurred:

(1) addressing a grievance or negotiating or administering a collective bargaining agreement;

(2) allowing a labor organization or its representatives access to the public employer's facilities or properties;

(3) performing an activity required by federal or state law or by a collective bargaining agreement;

(4) negotiating, entering into or carrying out an agreement with a labor organization;

(5) paying wages to a represented employee while the employee is performing duties if the payment is permitted under a collective bargaining agreement; or

(6) representing the public employer in a proceeding before the board or a local board or in a judicial review of that proceeding;

C. dominate or interfere in the formation, existence or administration of a labor organization;

D. discriminate in regard to hiring, tenure or a term or condition of employment in order to encourage or discourage membership in a labor organization;

E. discharge or otherwise discriminate against a public employee because the employee has signed or filed an affidavit, petition, grievance or complaint or given information or testimony pursuant to the provisions of the Public Employee Bargaining Act or because a public employee is forming, joining or choosing to be represented by a labor organization;

F. refuse to bargain collectively in good faith with the exclusive representative;

G. refuse or fail to comply with a provision of the Public Employee Bargaining Act or board rule; or

H. refuse or fail to comply with a collective bargaining agreement.

**History:** Laws 2003, ch. 4, § 19; 2003, ch. 5, § 19; 2020, ch. 48, § 12.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, made it a prohibited practice for a public employer to use public funds to influence an election regarding representation; in Subsection B, after "Public Employee Bargaining Act", added "or use public funds to influence the decision of its employees or the employees of its subcontractors regarding whether to support or oppose a labor organization that represents or seeks to represent those employees, or whether to become a member of any labor organization; provided, however, that this subsection does not apply to activities performed or expenses incurred", and added Paragraphs B(1) through B(6).

**To constitute a prohibited practice, discriminatory treatment need only be because of the employee's membership in a labor organization.** — Where the New Mexico corrections department (department) treated state employees who were members of a union differently than a state employee who was not by allowing the non-union employee to use a state vehicle to attend the same department-called policy review meeting for which the union employees' request to use a state vehicle had been denied, the district court did not err in affirming the public employee labor relations board's decision that the department had committed a prohibited practice in violation of this section by treating state employees who were union members differently than management employees regarding the use of state vehicles to attend labor-management meetings; the plain language of this section requires only that the discriminatory treatment be because of the employee's membership in a labor organization in order for such treatment to constitute a prohibited practice, and does not require proof that the action was retaliatory or motivated by anti-union animus. *N.M. Corrections Dep't v. AFSCME*, 2018-NMCA-007, cert. denied.

**Board's decision was arbitrary and capricious because it failed to consider an important aspect of the issue.** — Where the communications workers of America filed a prohibited practice complaint against the state of New Mexico, asserting that the state violated the Public Employee Bargaining Act by refusing paid time off for bargaining unit

employees for time spent preparing for and participating in grievance meetings and by providing paid union time to union officers and union stewards only, the public employee relations board (board) acted arbitrarily and capriciously in determining that the parties' past practice of granting union time or paid time to bargaining unit employees is as binding as the written provision of the collective bargaining agreement (CBA) and was therefore a mandatory subject of bargaining, because the board failed to consider the effect, if any, of the CBA's zipper clause, in which both parties waived the right to bargain collectively with respect to any subject or matter covered in the CBA. *Communication Workers of Am. v. State*, 2019-NMCA-031.

Where the communications workers of America filed a prohibited practice complaint against the state of New Mexico, asserting that the state violated the Public Employee Bargaining Act by refusing paid time off for bargaining unit employees for time spent preparing for and participating in grievance meetings and providing paid union time to union officers and union stewards only, the public employee relations board (board) acted arbitrarily and capriciously in determining that the state did not refuse to bargain collectively in good faith when it gave notice that bargaining unit employees did not have a right to meet with a union officer or steward regarding a grievance on work time, because the board failed to consider whether the state's notice constituted a *fait accompli*, that is, if the notice was too short a time before implementation or because the employer had no intention of altering its plans. *Communication Workers of Am. v. State*, 2019-NMCA-031.

**Dismissal of complaint was arbitrary and capricious.** — Where educational employees' union alleged that the community college had terminated two employees of the college in retaliation for their union-related activities, the college's alleged violation of the college's labor-management relations resolution gave rise to the union's claims that employees' employment was wrongfully terminated for retaliatory reasons, and where the local labor-management relations board (board) elected to dismiss the union's complaint on the ground that there was no conflict between the collective bargaining agreement's provisions requiring discharge or termination for cause and the employee handbook's provisions permitting non-renewal for no reason, the board's dismissal, being based on a ground not alleged in the union's complaint, was arbitrary and capricious. *Northern N.M. Fed'n of Educ. Emps. v. Northern N.M. Coll.*, 2016-NMCA-036, cert. denied.

## **10-7E-20. Public employees; labor organizations; prohibited practices.**

A public employee or labor organization or its representative shall not:

- A. discriminate against a public employee with regard to labor organization membership because of race, color, religion, creed, age, sex or national origin;
- B. interfere with, restrain or coerce any public employee in the exercise of a right guaranteed pursuant to the provisions of the Public Employee Bargaining Act;

C. refuse to bargain collectively in good faith with a public employer;

D. refuse or fail to comply with a collective bargaining or other agreement with the public employer;

E. refuse or fail to comply with a provision of the Public Employee Bargaining Act; or

F. picket homes or private businesses of elected officials or public employees.

**History:** Laws 2003, ch. 4, § 20 and by Laws 2003, ch. 5, § 20.

### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 20 and Laws 2003, ch. 5, § 20 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-20 NMSA 1978.

### **10-7E-21. Strikes and lockouts prohibited.**

A. A public employee or labor organization shall not engage in a strike. A labor organization shall not cause, instigate, encourage or support a public employee strike. A public employer shall not cause, instigate or engage in a public employee lockout.

B. A public employer may apply to the district court for injunctive relief to end a strike, and an exclusive representative of public employees affected by a lockout may apply to the district court for injunctive relief to end a lockout.

C. The board or local board, upon a clear and convincing showing of proof at a hearing that a labor organization directly caused or instigated a public employee strike, may impose appropriate penalties on that labor organization, up to and including decertification of the labor organization with respect to any of its bargaining units which struck as a result of such causation or instigation.

**History:** Laws 2003, ch. 4, § 21 and by Laws 2003, ch. 5, § 21.

### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 21 and Laws 2003, ch. 5, § 21 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-21 NMSA 1978.

### **10-7E-22. Agreements valid; enforcement.**

Collective bargaining agreements and other agreements between public employers and exclusive representatives shall be valid and enforceable according to their terms



when entered into in accordance with the provisions of the Public Employee Bargaining Act.

**History:** Laws 2003, ch. 4, § 22 and by Laws 2003, ch. 5, § 22.

### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 22 and Laws 2003, ch. 5, § 22 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-22 NMSA 1978.

### **10-7E-23. Judicial enforcement; standard of review.**

A. The board or local board may request the district court to enforce orders issued pursuant to the Public Employee Bargaining Act, including those for appropriate temporary relief and restraining orders. The court shall consider the request for enforcement on the record made before the board or local board. It shall uphold the action of the board or local board and take appropriate action to enforce it unless it concludes that the order is:

- (1) arbitrary, capricious or an abuse of discretion;
- (2) not supported by substantial evidence on the record considered as a whole; or
- (3) otherwise not in accordance with law.

B. A person or party, including a labor organization affected by a final rule, order or decision of the board or local board, may appeal to the district court for further relief. All such appeals shall be based upon the record made at the board or local board hearing. All such appeals to the district court shall be taken within thirty days of the date of the final rule, order or decision of the board or local board. Actions taken by the board or local board shall be affirmed unless the court concludes that the action is:

- (1) arbitrary, capricious or an abuse of discretion;
- (2) not supported by substantial evidence on the record considered as a whole; or
- (3) otherwise not in accordance with law.

**History:** Laws 2003, ch. 4, § 23 and by Laws 2003, ch. 5, § 23.

### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 23 and Laws 2003, ch. 5, § 23 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-23 NMSA.

### **10-7E-24. Existing collective bargaining units.**

A. Bargaining units established prior to July 1, 1999 shall continue to be recognized as appropriate bargaining units for the purposes of the Public Employee Bargaining Act. Bargaining units established between July 1, 1999 and the effective date of that act shall continue in effect only if the unit is covered by a collective bargaining agreement on the date of this act.

B. A labor organization that was recognized by a public employer as the exclusive representative of an appropriate bargaining unit on June 30, 1999 shall be recognized as the exclusive representative of the unit on the effective date of the Public Employee Bargaining Act; provided, however, that the public employer shall not enter into a new collective bargaining agreement pursuant to this subsection unless the labor organization demonstrates majority support to the public employer pursuant to Section 14 [10-7E-14 NMSA 1978] of the Public Employee Bargaining Act. A labor organization which attempts and fails to show majority support shall no longer be recognized as the exclusive bargaining representative of that unit.

**History:** Laws 2003, ch. 4, § 24 and by Laws 2003, ch. 5, § 24.

#### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 24 and Laws 2003, ch. 5, § 24 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-24 NMSA 1978.

### **10-7E-24.1. Certain new entities created by statute.**

A new entity, created by or pursuant to statute, that encompasses the same powers and duties as a previous public employer and uses essentially the same employees as the previous public employer shall be treated as if it were that previous public employer for purposes of the Public Employee Bargaining Act, including the continued applicability of existing ordinances or resolutions pursuant to Section 10-7E-26 NMSA 1978 and of existing collective bargaining units pursuant to Section 10-7E-24 NMSA 1978.

**History:** Laws 2005, ch. 333, § 2.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2005, ch. 333 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 17, 2005, 90 days after adjournment of the legislature.

### **10-7E-25. Existing collective bargaining agreements.**

Nothing in the Public Employee Bargaining Act shall be construed to annul or modify a collective bargaining agreement entered into between a public employer and an exclusive representative prior to the effective date of the Public Employee Bargaining Act. Nor shall anything in the Public Employee Bargaining Act be construed to annul or modify the status of an existing or recognized exclusive representative.

**History:** Laws 2003, ch. 4, § 25 and by Laws 2003, ch. 5, § 25.

#### **ANNOTATIONS**

**Compiler's notes.** — Laws 2003, ch. 4, § 25 and Laws 2003, ch. 5, § 25 enacted identical new sections of law, effective July 1, 2003. Both were compiled as 10-7E-25 NMSA 1978.

### **10-7E-26. Repealed.**

**History:** Laws 2003, ch. 4, § 26; 2003, ch. 5, § 26; repealed by Laws 2020, ch. 48, § 13.

#### **ANNOTATIONS**

**Repeals.** — Laws 2020, ch. 48, § 13 repealed 10-7E-26 NMSA 1978, as enacted by Laws 2003, ch. 4, § 26 and Laws 2003, ch. 5, § 26, relating to existing ordinances providing for public employee bargaining, effective July 1, 2020. For provisions of former section, see the 2019 NMSA 1978 on *NMOneSource.com*.

## **ARTICLE 7F**

### **Hazardous Duty Officers' Employer-Employee Relations**

#### **10-7F-1. Short title.**

Chapter 10, Article 7F NMSA 1978 may be cited as the "Hazardous Duty Officers' Employer-Employee Relations Act".

**History:** Laws 2010, ch. 62, § 1; 2019, ch. 83, § 1.

#### **ANNOTATIONS**

**The 2019 amendment**, effective June 14, 2019, changed "This act" to "Chapter 10, Article 7F NMSA 1978".

## **10-7F-2. Definitions.**

As used in the Hazardous Duty Officers' Employer-Employee Relations Act:

A. "compelled statement" means a statement provided by an officer to the officer's employer if the statement is compelled under threat of dismissal from employment or any other employment sanction;

B. "emergency medical technician" means an individual who has been licensed by the department of health as an emergency medical technician;

C. "firefighter" means an individual who is employed as a non-volunteer firefighter and who has taken the oath prescribed for firefighters;

D. "hazardous duty officer" or "officer" means an individual who is employed full time by the state or a political subdivision of the state as a firefighter, emergency medical technician or paramedic, provided that "hazardous duty officer" does not include an individual who has not completed the probationary period established by the individual's employer as a condition of employment; and

E. "paramedic" means an individual who has been licensed by the department of health as a paramedic.

**History:** Laws 2010, ch. 62, § 2; 2019, ch. 83, § 2.

## **ANNOTATIONS**

**The 2019 amendment**, effective June 14, 2019, defined "compelled statement" as used in the Hazardous Duty Officers' Employer-Employee Relations Act; and added a new Subsection A and redesignated the succeeding subsections accordingly.

## **10-7F-3. Investigations of hazardous duty officers; requirements; limitation.**

A. When a hazardous duty officer is under investigation by the officer's employer for alleged actions that could result in administrative sanctions being levied against the officer, any investigative interview of the officer shall be conducted only:

(1) upon the order of the officer's department director or the department director's designee;

(2) when the officer is on duty or during the officer's normal waking hours, unless the urgency of the investigation requires otherwise; and

(3) at the employer's facility, unless the urgency of the investigation requires otherwise.

B. Prior to commencement of an investigative interview:

(1) the officer shall be informed of the name and rank of the person in charge of the investigative interview and all other persons who will be present during the investigative interview;

(2) the officer shall be informed of the nature of the investigation, and the names of all known complainants shall be disclosed to the officer unless the chief administrator of the officer's employer determines that the identification of the complainant shall not be disclosed because it is necessary for the protection of an informant or because disclosure would jeopardize or compromise the integrity or security of the investigation; and

(3) a reasonable attempt shall be made to notify the officer's immediate superior of the pending investigative interview.

C. During an investigative interview, the following requirements shall be adhered to:

(1) at the commencement of the investigative interview, the officer shall be advised of all legal rights that the officer has with respect to the investigative interview;

(2) each investigative interview session shall not exceed two hours unless the parties mutually consent to continuation of the session;

(3) there shall not be more than one investigative interview session within a twenty-four-hour period, unless the parties mutually consent to additional sessions, provided that there shall be at least a one-hour rest period between the sessions;

(4) there shall not be more than two investigators at any given time;

(5) the officer shall be allowed to attend to physical necessities as they occur in the course of an investigative interview; and

(6) the officer shall not be subjected to offensive language or illegal coercion by an investigator in the course of an investigative interview.

D. An investigative interview of an officer shall be recorded, and the complete investigative interview shall be published as a transcript; provided that any recesses called during the investigative interview shall be noted in the transcript. An accurate copy of the transcript or tape shall be provided to the officer, upon written request, no later than fifteen working days after the investigation has been completed.

E. The compelled statement of an officer shall not be released by the employer except upon court order.

**History:** Laws 2010, ch. 62, § 3; 2019, ch. 83, § 3.

#### **ANNOTATIONS**

**The 2019 amendment**, effective June 14, 2019, provided additional requirements for investigative interviews of hazardous duty officers that are under investigation for alleged actions that could result in administrative sanctions, and provided that the compelled statement of an officer shall not be released by the employer except upon court order; replaced each occurrence of "interrogation" with "investigative interview" throughout; in Subsection A, added a new Paragraph A(1) and redesignated former Paragraphs A(1) and A(2) as Paragraphs A(2) and A(3), respectively; in Subsection C, added a new Paragraph C(1) and redesignated former Paragraphs C(1) through C(5) as Paragraphs C(2) through C(6), respectively; and added Subsection E.

#### **10-7F-4. Polygraph examinations.**

After reviewing all the information collected in the course of an investigation of a hazardous duty officer, the chief administrator of the officer's employer may order the officer to submit to a polygraph examination administered by a licensed polygraph examiner, provided that:

A. all other reasonable investigative means have been exhausted; and

B. the officer has been advised of the administrator's reasons for ordering the polygraph examination.

**History:** Laws 2010, ch. 62, § 4.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 62, § 10 made the Hazardous Duty Officers' Employer-Employee Relations Act effective July 1, 2010.

#### **10-7F-5. Right to produce evidence.**

When a hazardous duty officer is under investigation for an administrative matter, the officer shall be permitted to produce any relevant documents, witnesses or other evidence to support the officer's case and the officer may cross-examine any adverse witnesses during any grievance process or appeal involving disciplinary action.

**History:** Laws 2010, ch. 62, § 5.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 62, § 10 made the Hazardous Duty Officers' Employer-Employee Relations Act effective July 1, 2010.

### **10-7F-6. Personnel files.**

A. No document containing comments adverse to a hazardous duty officer shall be entered into the officer's personnel file unless the officer has read and signed the document. When an officer refuses to sign a document containing adverse comments, the document may be entered into an officer's personnel file if:

(1) the officer's refusal to sign is noted on the document by the chief administrator of the officer's employer; and

(2) the notation regarding the officer's refusal to sign the document is witnessed by a third party.

B. A hazardous duty officer may file a written response to any document containing adverse comments entered into the officer's personnel file, and the response shall be filed with the officer's employer within thirty days after the document was entered into the officer's personnel file. A hazardous duty officer's written response shall be attached to the document.

**History:** Laws 2010, ch. 62, § 6.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 62, § 10 made the Hazardous Duty Officers' Employer-Employee Relations Act effective July 1, 2010.

### **10-7F-7. Constitutional rights; notification.**

When a hazardous duty officer is under administrative investigation and a determination is made to commence a criminal investigation, the officer shall be immediately notified of the investigation and shall be afforded all the protections set forth in the bill of rights of the United States constitution and of the constitution of New Mexico.

**History:** Laws 2010, ch. 62, § 7.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 62, § 10 made the Hazardous Duty Officers' Employer-Employee Relations Act effective July 1, 2010.

### **10-7F-8. Forced disclosure of financial information.**

A hazardous duty officer shall not be required by an employer to disclose information regarding the officer's financial status, unless all other reasonable investigative means have been exhausted or except as otherwise required by law.

**History:** Laws 2010, ch. 62, § 8.

### ANNOTATIONS

**Effective dates.** — Laws 2010, ch. 62, § 10 made the Hazardous Duty Officers' Employer-Employee Relations Act effective July 1, 2010.

### **10-7F-9. Political activity.**

A hazardous duty officer shall not be prohibited by an employer from engaging in any political activity when the officer is off duty, except as otherwise provided by law.

**History:** Laws 2010, ch. 62, § 9.

### ANNOTATIONS

**Effective dates.** — Laws 2010, ch. 62, § 10 made the Hazardous Duty Officers' Employer-Employee Relations Act effective July 1, 2010.

**Preemption analysis of municipal ordinance prohibiting employees from seeking elective office.** — Municipalities that adopt home rule charters may exercise all legislative powers and perform all functions not expressly denied by general law or charter. To determine whether a state statute denies a home rule municipality certain authority, it must first be determined whether the statute is a general law, that is, whether the law applies generally throughout the state and is of statewide concern as contrasted to local or municipal law, and then it must be determined whether the provision expressly denies a home rule municipality the authority to prohibit its employees from seeking elective office. *Kane v. City of Albuquerque*, 2015-NMSC-027.

Where the city of Albuquerque's charter and personnel rules prohibit employees of the city from being a candidate for, or from holding elective office of, the state of New Mexico or any of its political subdivisions, petitioner, a city firefighter, claimed that the city charter was not a valid exercise of the city's municipal powers because it was preempted by 10-7F-9 NMSA 1978. The New Mexico supreme court held that 10-7F-9 NMSA 1978 did not preempt the city's charter, because the regulation of government employees' activities under the First Amendment of the United States Constitution touches upon issues of local, not statewide, concern, and therefore this section is not a general law. Moreover, the city's home rule charter falls within this section's "except as otherwise provided by law" exception, such that this section does not preempt municipal employment regulations as applied to hazardous duty officers. *Kane v. City of Albuquerque*, 2015-NMSC-027.



# ARTICLE 8

## Per Diem and Mileage

### 10-8-1. Short title.

Sections 10-8-1 through 10-8-8 NMSA 1978 may be cited as the "Per Diem and Mileage Act".

**History:** 1953 Comp., § 5-10-1, enacted by Laws 1963, ch. 31, § 1; 1978, ch. 184, § 1; 1979, ch. 273, § 2.

### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Officers §§ 224, 225.

### 10-8-2. Purpose of act.

The purpose of the Per Diem and Mileage Act is to establish standard rates for reimbursement for travel for public officers and employees coming under the Per Diem and Mileage Act. The act is designed to be referred to where applicable in statutes setting compensation of public officers and employees.

**History:** 1953 Comp., § 5-10-2, enacted by Laws 1963, ch. 31, § 2; 1971, ch. 116, § 1.

### ANNOTATIONS

**When allowance may not be drawn.** — State highway commissioners, as unsalaried state officers, may not draw the statutory per diem allowance while engaged in official state business at their residence or personal business premises. 1977 Op. Att'y Gen. No. 77-20.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 225; 81A C.J.S. States §§ 61, 106 to 109.

### 10-8-3. Definitions.

As used in the Per Diem and Mileage Act:

A. "attend" means the act of being present, either physically or through a virtual platform that is approved by the entity responsible for determining attendance;

B. "secretary" means the secretary of finance and administration;

C. "employee" means any person who is in the employ of any state agency, local public body or public post-secondary educational institution and whose salary is paid either completely or in part from public money, but does not include jurors or jury commissioners;

D. "governing board" means the board of regents of any institution designated in Article 12, Section 11 of the constitution of New Mexico or designated in Chapter 21, Article 14 NMSA 1978, or the board of any institution designated in Chapter 21, Articles 13, 16 and 17 NMSA 1978;

E. "local public body" means all political subdivisions of the state and their agencies, instrumentalities and institutions, except public post-secondary educational institutions;

F. "state agency" means the state or any of its branches, agencies, departments, boards, instrumentalities or institutions, except public post-secondary educational institutions;

G. "public post-secondary educational institution" means any institution designated in Article 12, Section 11 of the constitution of New Mexico and any institution designated in Chapter 21, Articles 13, 14, 16 and 17 NMSA 1978; and

H. "public officer" or "public official" means every elected or appointed officer of the state, local public body or any public post-secondary educational institution. "Public officer" or "public official" includes members of advisory boards appointed by any state agency, local public body or public post-secondary educational institution.

**History:** 1953 Comp., § 5-10-2.1, enacted by Laws 1971, ch. 116, § 2; 1977, ch. 247, § 49; 1978, ch. 184, § 2; 1979, ch. 273, § 3; 1989, ch. 338, § 1; 2021, ch. 81, § 1.

## ANNOTATIONS

**The 2021 amendment**, effective April 6, 2021, defined "attend", and clarified the definition of "public official", as used in the Per Diem and Mileage Act; added a new Subsection A and redesignated former Subsections A through G as Subsections B through H, respectively; and in Subsection H, after "Public officer", added "or 'public official'".

**Payment to person not within definitions.** — A person not within these definitions who performs a service for or on behalf of a school district can be paid under this act for his expenses. 1974 Op. Att'y Gen. No. 74-29.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 224, 225.

**10-8-4. Per diem and mileage rates; in lieu of payment.**

A. Notwithstanding any other specific law to the contrary and except as provided in Subsection I of this section, every nonsalaried public officer shall receive either reimbursement pursuant to the provisions of Subsection K or L of this section or per diem expenses in the following amounts for a board or committee meeting attended; provided that the officer shall not receive per diem expenses for more than one board or committee meeting that occurs on the same day; or for each day spent in discharge of official duties for travel within the state but away from the officer's home:

(1) forty-five dollars (\$45.00) if the officer physically attends the board or committee meeting for less than four hours or the officer attends a virtual meeting of any duration during a single calendar day; or

(2) ninety-five dollars (\$95.00) if the officer physically attends the board or committee meeting for four hours or more during a single calendar day.

B. Every salaried public officer or employee who is traveling within the state but away from the officer's or employee's home and designated post of duty on official business shall receive either reimbursement pursuant to the provisions of Subsection K or L of this section or for each day spent in the discharge of official duties, the amount established by the department of finance and administration for the fiscal year in which the travel occurs. The department of finance and administration shall establish the reimbursement rate to be used for the next fiscal year by May 1 of each fiscal year; provided that such rate shall take into consideration the rates available for lodging, meals and incidentals as determined by the United States general services administration for that period of time.

C. Every public officer or employee who is traveling outside of the state on official business shall receive either reimbursement pursuant to the provisions of Subsection K or L of this section or for each day spent in the discharge of official duties, the amount established by the department of finance and administration for the fiscal year in which the travel occurs. The department of finance and administration shall establish the reimbursement rate to be used for the next fiscal year by May 1 of each fiscal year; provided that such rate shall take into consideration the rates available for lodging, meals and incidentals as determined by the United States general services administration for that period of time. For a salaried public officer or employee of a local public body or state agency, expenses shall be substantiated in accordance with rules promulgated by the secretary of finance and administration, and the secretary may promulgate rules defining what constitutes out-of-state travel for the purposes of the Per Diem and Mileage Act. For a public officer or employee of a public post-secondary educational institution, expenses shall be substantiated in accordance with rules promulgated by the governing board of that public post-secondary educational institution, and the governing board may promulgate rules defining what constitutes out-of-state travel for the purposes of the Per Diem and Mileage Act.

D. Every public officer or employee shall receive up to the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a

privately owned vehicle or eighty-eight cents (\$.88) a mile for each mile traveled in a privately owned airplane if the travel is necessary to the discharge of the officer's or employee's official duties and if the private conveyance is not a common carrier; provided, however, that only one person shall receive mileage for each mile traveled in a single privately owned vehicle or airplane, except in the case of common carriers, in which case the person shall receive the cost of the ticket in lieu of the mileage allowance.

E. The per diem and mileage or per diem and cost of tickets for common carriers paid to salaried public officers or employees is in lieu of actual expenses for transportation, lodging and subsistence.

F. In addition to the in-state per diem set forth in this section, the department of finance and administration, by rule, may authorize a flat subsistence rate in the amount set by the legislature in the general appropriation act for commissioned officers of the New Mexico state police in accordance with rules promulgated by the department of finance and administration.

G. In lieu of the in-state per diem set in Subsection B of this section, the department of finance and administration may, by rule, authorize a flat monthly subsistence rate for certain employees of the department of transportation, provided that the payments made under this subsection shall not exceed the maximum amount that would be paid under Subsection B of this section.

H. Per diem received by nonsalaried public officers for travel on official business or in the discharge of their official duties, other than attending a board or committee meeting, and per diem received by public officers and employees for travel on official business shall be prorated in accordance with rules of the department of finance and administration or the governing board.

I. The provisions of Subsection A of this section do not apply to payment of per diem expense to a nonsalaried public official of a municipality for attendance at board or committee meetings held within the boundaries of the municipality.

J. In addition to any other penalties prescribed by law for false swearing on an official voucher, it shall be cause for removal or dismissal from office.

K. With prior written approval of the secretary or the secretary's designee or the local public body, a nonsalaried public officer of a state agency or local public body, a salaried public officer of a state agency or local public body or a salaried employee of a state agency or local public body is entitled to per diem expenses under this subsection and shall receive:

- (1) reimbursement for actual expenses for lodging; and

(2) reimbursement for actual expenses for meals and incidentals not to exceed the maximum amounts for in-state and out-of-state travel established by the department of finance and administration for the fiscal year in which the travel occurs; provided that the department of finance and administration shall establish the maximum rates for the reimbursement of actual expenses for meals and incidentals as described in Subsections B and C of this section.

L. With prior written approval of the governing board or its designee, a nonsalaried public officer of a public post-secondary educational institution, a salaried public officer of a public post-secondary educational institution or a salaried employee of a public post-secondary educational institution is entitled to per diem expenses under this subsection and shall receive:

(1) reimbursement for actual expenses for lodging; and

(2) reimbursement for actual expenses for meals and incidentals not to exceed the maximum amounts for in-state and out-of-state travel established by the department of finance and administration for the fiscal year in which the travel occurs; provided that the department of finance and administration shall establish the maximum rates for the reimbursement of actual expenses for meals and incidentals as described in Subsections B and C of this section.

**History:** 1953 Comp., § 5-10-3, enacted by Laws 1963, ch. 31, § 3; 1971, ch. 116, § 3; 1974, ch. 26, § 1; 1975, ch. 106, § 1; 1977, ch. 194, § 1; 1978, ch. 184, § 3; 1979, ch. 38, § 1; 1980, ch. 9, § 1; 1980, ch. 32, § 1; 1981, ch. 109, § 1; 1984, ch. 29, § 2; 1987, ch. 129, § 1; 1989, ch. 338, § 2; 2003, ch. 215, § 1; 2009, ch. 170, § 1; 2021, ch. 81, § 2.

## ANNOTATIONS

**Compiler's notes.** — The General Appropriation Act, referred to in Subsection F, is the yearly act passed by the state legislature which funds all state agencies and personnel.

**Cross references.** — For payment of travel advances upon public vouchers, see 6-5-8 NMSA 1978.

For applicability to court of appeal judges, see 34-1-9 NMSA 1978.

For applicability to magistrates attending training program, see 35-2-4 NMSA 1978.

For applicability to district attorneys and their employees, see 36-1-3 NMSA 1978.

**The 2021 amendment**, effective April 6, 2021, changed the rates of per diem reimbursement for in-state and out-of-state travel for certain public officers and employees; in Subsection A, after "Subsection K or L of this section or", deleted "up to ninety-five dollars (\$95.00)", after "per diem expenses", added "in the following

amounts", after "attended", added "provided that the officer shall not receive per diem expenses for more than one board or committee meeting that occurs on the same day", and deleted "Nonsalaried public officers who travel to attend a board or committee meeting may elect to be reimbursed per diem under either Paragraph (1) or (2) of this subsection", and added new Paragraphs A(1) and A(2); in Subsection B, after "Subsection K or L of this section or", deleted former Paragraphs B(1) and B(2) and added the remainder of the subsection; in Subsection C, after "Every public officer or employee", added "who is traveling outside of the state on official business", and after "Subsection K or L of this section or", deleted former Paragraphs C(1) and C(2) and added the remainder of the subsection; in Subsection K, deleted former Paragraph K(2) and added a new Paragraph K(2); and in Subsection L, deleted former Paragraph L(2) and added a new Paragraph L(2).

**The 2009 amendment**, effective June 19, 2009, in Subsection D, after "employee shall receive", deleted "thirty-two cents (\$.32) a mile" and added "up to the internal revenue service standard mileage rate set January 1 of the previous year".

**The 2003 amendment**, effective July 1, 2003, in Subsection A, increased the per diem for nonsalaried public officers from \$75.00 to \$95.00; in Subsection B(1), increased the per diem for public officers and employees from \$65.00 to \$85.00, and the maximum from \$75.00 to \$135.00; in Subsection C(1), increased the out-of-state per diem from \$75.00 to \$115.00 and the maximum from \$95.00 to \$215.00; in Subsection C(2) to increase the post-secondary institution rate from \$75.00 to \$115.00 and the maximum from \$95.00 to \$215.00; in Subsection D, increased the mileage rate in a private vehicle from \$.25 per mile to \$.32 per mile, and the mileage rate in a private airplane from \$.40 per mile to \$.88 per mile; and in Subsection K(2), increased the reimbursement for meals from \$30.00 per day to \$45.00 per day.

**Source of compensation.** — Nothing in the Per Diem and Mileage Act specifies the source from which board members are to receive compensation for travel costs. *N.M. Bd. of Veterinary Med. v. Riegger*, 2006-NMCA-069, 139 N.M. 679, 137 P.3d 619, *aff'd in part, rev'd in part*, 2007-NMSC-044, 142 N.M. 248, 164 P.3d 947.

**Per diem not part of wages.** — Where an employee could not show that reimbursement for per diem expenses for out-of-town travel was in excess of his actual expenses and thus constituted a real economic gain to him, per diem payments were not included in his wages for purposes of calculating the amount of workers' compensation payable to the employee. *Antillon v. N.M. State Highway Dep't*, 1991-NMCA-093, 113 N.M. 2, 820 P.2d 436.

**Enforcement of dropped restriction disallowed.** — Where a 35-mile condition is retained only in a per diem clause of a bargaining agreement and it is clear that the parties intended that the 35-mile condition would not apply to a special living allowance provision, the highway department, once it agrees to drop a restriction during negotiations, cannot now be allowed to enforce it. *Local 2238 AFSCME v. N.M. State Highway Dep't*, 1979-NMSC-057, 93 N.M. 195, 598 P.2d 1155.

**Intent of payment.** — Payment under this section is intended to defray costs incurred in travel associated with the performance of public business rather than serve as a salary for services performed. 1977 Op. Att'y Gen. No. 77-20.

**State highway commissioners.** — State highway commissioners, as unsalaried state officers, may not draw the statutory per diem allowance while engaged in official state business at their residence or personal business premises. 1977 Op. Att'y Gen. No. 77-20.

**County commissioners.** — The "designated post of duty" of a county commissioner is established by reference to Section 4-38-8 NMSA 1978 at the county seat, and, therefore, a county commissioner may not receive per diem for travel to commission meetings or other official business at the county seat. 1988 Op. Att'y Gen. No. 88-65.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 224, 225.

## **10-8-5. Restrictions; rules.**

A. The secretary may promulgate rules for state agencies and local public bodies for the purpose of carrying out the provisions of the Per Diem and Mileage Act [10-8-1 to 10-8-8 NMSA 1978]. Public officials of public post-secondary educational institutions and employees of public post-secondary educational institutions shall be subject to the rules of their governing boards.

B. Public funds may be advanced to any public officer or employee before the travel occurs only with prior written approval of the secretary, the secretary's designee, the local public body or the governing board or its designee. This restriction shall not prohibit the use of authorized credit cards in connection with purchases necessary to the use of vehicles owned by the state, a local public body or a public post-secondary educational institution or for food, lodging or transportation as permitted by the department of finance and administration or the governing board. Public funds shall be paid out under the Per Diem and Mileage Act only upon vouchers duly presented with any required receipts attached thereto. For employees authorized to receive public funds in advance of travel, payment shall be received only upon vouchers submitted with attached authorization for each travel period. For public officers or employees using authorized credit cards, vouchers with required receipts for each month's travel expenses shall be submitted as a condition to receiving authorization to use the credit card for the next month's travel. Travel expenses may also be advanced if the travel is to be performed under provisions of federal or private contracts and the funds used are not derived from taxes or revenues paid to the state or any of its political subdivisions.

C. The secretary may reduce the rates set for the per diem and mileage for any class of public officials and for employees of state agencies, except public officials of public post-secondary educational institutions, at any time the secretary deems it to be in the public interest, and such reduction shall not be construed to permit payment of

any other compensation, perquisite or allowance. The secretary shall exercise this power of reduction in a reasonable manner and shall attempt to achieve a standard rate for all public officers and employees of the same classification. The secretary may, at the request of any state agency and for good cause shown, reduce the rates of per diem and mileage for that state agency. The governing body of any local public body may eliminate or may reduce the rates set for the per diem and mileage for all or any class of public officials and employees of the local public body at any time the local public body deems it to be in the public interest, and such reduction shall not be construed to permit payment of any other compensation, perquisite or allowance. The local public body shall exercise this power of reduction in a reasonable manner and shall attempt to achieve a standard rate for all public officers and employees of the same classification. The secretary may, in extraordinary circumstances and with the prior approval of the state board of finance in public meeting, allow actual expenses rather than the per diem rates set in the Per Diem and Mileage Act.

D. The governing board or its designee may reduce the rates set for the per diem and mileage for public officials of public post-secondary educational institutions and for employees of public post-secondary educational institutions at any time the governing board deems it to be in the public interest, and such reduction shall not be construed to permit payment of any other compensation, perquisite or allowance. The governing board shall exercise this power of reduction in a reasonable manner and shall attempt to achieve a standard rate for public officers and employees of public post-secondary educational institutions. The governing board may reduce the rates of per diem and mileage for its public post-secondary educational institution and may, in extraordinary circumstances and in public meeting, allow actual expenses rather than the per diem rates set in the Per Diem and Mileage Act.

E. No reimbursement for out-of-state travel shall be paid to any elected public officer, including any member of the legislature, if after the last day to do so that officer has not filed a declaration of candidacy for reelection to the public officer's currently held office or has been defeated for reelection to the public officer's currently held office in a primary election or any general election.

F. Subsection E of this section does not apply to any elected public officer who is ineligible to serve another term after serving the public officer's term in office.

G. Subsection E of this section does not apply to legislators whose travel has been approved by a three-fourths' vote of the New Mexico legislative council at a regularly called meeting.

H. Any person who is not an employee, appointee or elected official of a county or municipality and who is reimbursed under the provisions of the Per Diem and Mileage Act in an amount that singly or in the aggregate exceeds one thousand five hundred dollars (\$1,500) in any one year shall not be entitled to further reimbursement under the provisions of that act until the person furnishes in writing to the person's department head or, in the case of a department head or board or commission member, to the



governor or, in the case of a member of the legislature, to the New Mexico legislative council an itemized statement on each separate instance of travel covered within the reimbursement, the place to which traveled and the executive, judicial or legislative purpose served by the travel.

**History:** 1953 Comp., § 5-10-3.1, enacted by Laws 1978, ch. 184, § 4; 1979, ch. 273, § 4; 1984, ch. 29, § 3; 1989, ch. 338, § 3; 1990, ch. 67, § 1; 1995, ch. 209, § 1; 2018, ch. 27, § 2.

## ANNOTATIONS

**Cross references.** — For payment of travel expenses upon public vouchers, see 6-5-8 NMSA 1978.

**The 2018 amendment**, effective January 1, 2019, removed the provision relating to money expended by the governor from the appropriations made for the office of governor to pay for expenses connected with obligations of the elected office of governor, and made technical changes; in the catchline, deleted "regulations" and added "rules"; in Subsection A, after "promulgate rules", deleted "and regulations", and after "subject to the rules", deleted "and regulations"; deleted former Subsection C and redesignated former Subsections D through I as Subsections C through H, respectively; in Subsection F, after "Subsection", deleted "F" and added "E", and after "ineligible to", deleted "succeed himself" and added "serve another term"; and in Subsection G, after "Subsection", deleted "F" and added "E".

**The 1995 amendment**, effective June 16, 1995, in Subsection C, added the proviso at the end of the first sentence, and added the second sentence.

**Nonsalaried public officers.** — Nonsalaried public officers, including state highway commissioners, may receive the statutory per diem allowance for each day on which public business involving the requisite travel is performed without regard to the number of hours actually expended while away from place of residence and personal business premises in the performance of public duties. 1977 Op. Att'y Gen. No. 77-20.

**Reducing rates.** — A state agency may reduce rates of per diem and mileage for that state agency to an amount less than that specified in the Per Diem and Mileage Act, subject to the prior approval of the director (now secretary) of the department of finance and administration. 1977 Op. Att'y Gen. No. 77-20.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 224, 225.

### 10-8-6. Application of act.

A. The Per Diem and Mileage Act shall not apply to the members of the legislature unless the legislature by specific reference to the act makes it applicable to the

members and such application does not thereby exceed the per diem and mileage rates fixed in the constitution of New Mexico.

B. The provisions of Subsection D of Section 10-8-4 NMSA 1978 pertaining to the mileage reimbursement rate for travel in a privately owned vehicle shall not apply to employees of a hospital facility under the control of the board of trustees of a special hospital district created pursuant to the provisions of the Special Hospital District Act [Chapter 4, Article 48A NMSA 1978], if the board of trustees has fixed a mileage reimbursement rate for those employees.

**History:** 1953 Comp., § 5-10-3.2, enacted by Laws 1971, ch. 116, § 5; 2003, ch. 21, § 2.

### ANNOTATIONS

**Cross references.** — For constitutional per diem and mileage rates, see N.M. Const., art. IV, § 10.

**The 2003 amendment,** effective July 1, 2003, redesignated the former text of the section as Subsection A and added "of New Mexico" at the end; and added Subsection B.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 224, 225.

### 10-8-7. Penalty.

Any public officer or employee covered by the Per Diem and Mileage Act who knowingly authorizes or who knowingly accepts payment in excess of the amount allowed by the Per Diem and Mileage Act or in excess of the amount authorized by the secretary or the governing board pursuant to Section 10-8-5 NMSA 1978 is liable to the state in an amount that is twice the excess payment.

**History:** 1953 Comp., § 5-10-4, enacted by Laws 1963, ch. 31, § 4; 1971, ch. 116, § 6; 1977, ch. 247, § 51; 1989, ch. 338, § 4.

### ANNOTATIONS

**Cross references.** — For definition of "employee" and "public officer", see 10-8-3 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 224, 225, 257.

### 10-8-8. Other reimbursements.

A. The secretary may authorize by regulation reimbursement for the following actual expenses incurred by public officers and employees of state agencies:

- (1) moving expenses;
- (2) professional fees or dues;
- (3) tuition and fees for attending educational programs or classes approved by the secretary; and
- (4) registration fees for attending seminars, educational programs or classes.

B. The governing body of any local public body may, by resolution, authorize the reimbursement of public officers and employees for any of the actual expenses set forth in Subsection A of this section. No resolution adopted pursuant to this subsection shall authorize the reimbursement for any expense not authorized by regulation of the secretary pursuant to Subsection A of this section.

C. The governing board may, by regulation, authorize the reimbursement of public officers of public post-secondary educational institutions and employees of public post-secondary educational institutions for any of the actual expenses set forth in Subsection A of this section.

D. No reimbursement shall be made for any expenses unless receipts for all such expenses are attached to the reimbursement voucher.

**History:** 1978 Comp., § 10-8-8, enacted by Laws 1979, ch. 273, § 5; 1989, ch. 338, § 5.

## **ARTICLE 9**

### **Personnel**

#### **10-9-1. Short title.**

Chapter 10, Article 9 NMSA 1978 may be cited as the "Personnel Act".

**History:** 1953 Comp., § 5-4-28, enacted by Laws 1961, ch. 240, § 1; 2009, ch. 76, § 1.

#### **ANNOTATIONS**

**Compiler's notes.** — The term "this act", referred to in this section, refers to Laws 1961, ch. 240, the provisions of which are presently compiled as 10-9-1 to 10-9-4, 10-9-8 to 10-9-10, 10-9-12, 10-9-13 and 10-9-15 to 10-9-17 and 10-9-20 to 10-9-25 NMSA 1978.

**The 2009 amendment**, effective June 19, 2009, changed the reference to the act to the Chapter and Article of NMSA 1978.

**Attorney general barred from raising defenses.** — Doctrine of offensive collateral estoppel barred the attorney general from raising as defenses to an action for a declaration of the validity of a collective bargaining agreement essentially the same defenses to essentially the same substantive contract provisions he raised at the district court level in a prior case involving identical subject matter. *Local 2839 of AFSCME v. Udall*, 1991-NMSC-017, 111 N.M. 432, 806 P.2d 572.

**Collective bargaining authority.** — In New Mexico, there is an implied authority to bargain collectively in the public sector as an incident to the express grant of authority under the Personnel Act. *Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**Application to nonexempt employees of retiree health care authority.** — Although the Retiree Health Care Act provides in Section 10-7C-7 NMSA 1978 that the retiree health care authority's board may "employ or contract for persons to assist it . . . and determine the duties and compensation of these employees," that authority does not conflict with the Personnel Act and, therefore, the Personnel Act applies to nonexempt employees of the agency. 1991 Op. Att'y Gen. No. 91-06.

**Act preemptive of collective bargaining.** — Where the legislature has undertaken to act to regulate employment, such action preempts the authority of the state agency to engage in collective bargaining, and the purpose of the Personnel Act is inconsistent with the idea of collective bargaining. 1987 Op. Att'y Gen. No. 87-41 (overruling and withdrawing 1971 Op. Att'y Gen. No. 71-96).

**Rules for labor-management relations.** — Even if the legislature could delegate its power to make law concerning public sector collective bargaining, and even if it intended to do so in this act, it failed to do so properly, and the rules for labor-management relations promulgated by the personnel board are therefore void and a nullity, since the Personnel Act does not mention collective bargaining, much less any standards to guide the board in fashioning the RLMR. 1987 Op. Att'y Gen. No. 87-41, *overruled by Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**Rules constituting unlawful delegation of authority.** — The rules for labor-management relations promulgated by the personnel board unlawfully delegate the board's authority over personnel matters that the legislature has placed with the board. 1987 Op. Att'y Gen. No. 87-41, *overruled by Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**State land office.** — The state land office is presently subject to the Personnel Act. 1969 Op. Att'y Gen. No. 69-99.

**Medical center covered by act.** — The Los Lunas state hospital and training school (now the Los Lunas medical center) is a state institution and it falls within the category of departments covered by the Personnel Act. 1961 Op. Att'y Gen. No. 61-80.

**Agencies already with merit systems.** — Nothing in the Personnel Act indicates that agencies that have adopted merit systems are thereby exempted from the operation of the Personnel Act. 1960 Op. Att'y Gen. No. 60-229 (decided under former law).

**Law reviews.** — For note, "Public Labor Disputes - A Suggested Approach for New Mexico," see 1 N.M.L. Rev. 281 (1971).

For comment, "Contemplating the Dilemma of Government as Speaker: Judicially Identified Limits on Government Speech in the Context of *Carter v. City of Las Cruces*," see 27 N.M.L. Rev. 517 (1997).

## **10-9-2. Purpose of act; enactment under constitution.**

The purpose of the Personnel Act is to establish for New Mexico a system of personnel administration based solely on qualification and ability, which will provide greater economy and efficiency in the management of state affairs. The Personnel Act is enacted under and pursuant to the provisions of Article 7, Section 2 of the constitution of New Mexico, as amended.

**History:** 1953 Comp., § 5-4-29, enacted by Laws 1961, ch. 240, § 2; 1963, ch. 200, § 1.

### **ANNOTATIONS**

**Purpose and interpretation of Personnel Act.** — The Personnel Act has for its basic purpose the furtherance of economy and efficiency in state government. To achieve this purpose and implement the objectives of the act, the provisions providing for the right of an administrative hearing and judicial review should not be narrowly interpreted so as to restrict such a view. *Montoya v. Dep't of Fin. & Admin.*, 1982-NMCA-051, 98 N.M. 408, 649 P.2d 476.

**Legislative intent.** — In enacting the Personnel Act it was the desire of the legislature to insulate in some manner the paid state employee from the whims and caprice of the political election so as to provide continuity of government in a changing environment. 1964 Op. Att'y Gen. No. 64-7.

**Legislature intended balance between internal and statewide administration.** — The legislature intended to strike a balance between the inherent power of a state agency or department to act administratively to adjust or organize itself internally so as to more effectively and efficiently carry out its duties, and the statutory objective of establishing and creating an effective system of state personnel administration. 1963 Op. Att'y Gen. No. 63-33.

**Ability of government to be enhanced.** — The legislature wished to enhance the ability of government by insuring that the "sifting system" of the public election be replaced by objective examinations to assure that competent citizens are initially selected for the "insulated" positions. 1964 Op. Att'y Gen. No. 64-7.

**Merit system provided.** — The Personnel Act provides for a merit system, but not a seniority system. 1965 Op. Att'y Gen. No. 65-78A.

**State agencies not to engage in collective bargaining.** — A collective bargaining agreement between the division of vocational rehabilitation and the American Federation of State, County and Municipal Employees is void, as it is illegal for state agencies governed by the provisions of this article to engage in collective bargaining. 1987 Op. Att'y Gen. No. 87-56.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Refusal to submit to polygraph examination as ground for discharge or suspension of public employees or officers, 15 A.L.R.4th 1207.

81A C.J.S. States § 86.

### **10-9-3. Definitions.**

As used in the Personnel Act:

- A. "director" means the personnel director;
- B. "board" means the personnel board;
- C. "service" means the state personnel service created by the Personnel Act, and includes all positions covered by the Personnel Act;
- D. "position" means any state office, job, or position of employment;
- E. "employer" means any authority having power to fill positions, in an agency;
- F. "agency" means any state department, bureau, division, branch or administrative group which is under the same employer;
- G. "class" means a group of positions similar enough in powers and responsibilities that they can be covered by the same qualifications and rate of pay;
- H. "test" means a test of the qualifications, fitness and ability, and includes tests that are written, oral, physical or in the form of a demonstration of skill or any combination thereof;

I. "employee" means a person in a position in the service who has completed his probationary period; and

J. "probationer" means a person in a position in the service who is still in the probationary period for that position.

**History:** 1953 Comp., § 5-4-30, enacted by Laws 1961, ch. 240, § 3.

## ANNOTATIONS

**Probationer.** — Worker who had not completed the probationary period upon reentry into the classified service was not an "employee" within the meaning of Section 10-9-3 NMSA 1978 thus not entitled to appeal rights. *Clark v. N.M. Children, Youth & Families Dep't*, 1999-NMCA-114, 128 N.M. 18, 988 P.2d 888.

**Employer.** — The regulation and licensing department was an employer within the definition found in the State Personnel Act (10-9-3E NMSA 1978) since it, not the New Mexico real estate commission (NMREC), hired the employee, employee's title fell under the department, employee's hiring was approved by the superintendent of the department, and the power to control the administration of NMREC necessarily includes the hiring and firing of its employees. *N.M. Regulation & Licensing Dep't v. Lujan*, 1999-NMCA-059, 127 N.M. 233, 979 P.2d 744.

**Effect on person contemplated by 28-15-1 NMSA 1978.** — If a person contemplated by 28-15-1 NMSA 1978 has gained the status of an "employee" as that term is defined by this section and the personnel board rules, he will have additional rights under the state personnel board rules that a "probationer" would not. 1969 Op. Att'y Gen. No. 69-108.

**Employees not entitled to participate.** — Since the employees of an intercommunity gas association worked for a corporation controlled by three separate municipalities rather than for the state itself, such employees were not entitled to participate under the provisions of the State Personnel Act. 1966 Op. Att'y Gen. No. 66-07.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States § 86.

### 10-9-4. Coverage of service.

The Personnel Act and the service cover all state positions except:

- A. officials elected by popular vote or appointed to fill vacancies to elective offices;
- B. members of boards and commissions and heads of agencies appointed by the governor;
- C. heads of agencies appointed by boards or commissions;

D. directors of department divisions;

E. those in educational institutions and in public schools;

F. those employed by state institutions and by state agencies providing educational programs and who are required to hold valid certificates as certified school instructors as defined in Section 22-1-2 NMSA 1978 issued by the public education department;

G. those in the governor's office;

H. those in the state militia or the commissioned officers of the New Mexico state police division of the department of public safety;

I. those in the judicial branch of government;

J. those in the public defender department, upon implementation of personnel policies and rules by the public defender commission;

K. those in the legislative branch of government;

L. not more than two assistants and one secretary in the office of each official listed in Subsections A, B and C of this section, excluding members of boards and commissions in Subsection B of this section;

M. those of a professional or scientific nature that are temporary in nature;

N. those filled by patients or inmates in charitable, penal or correctional institutions;

O. state employees if the board in its discretion decides that the position is one of policymaking; and

P. disadvantaged youth under twenty-two years of age regularly enrolled or to be enrolled in a secondary educational institution approved by the public education department or in an accredited state institution of advanced learning or vocational training and who are to be employed for not more than seven hundred twenty hours during any calendar year:

(1) the term "disadvantaged youth" shall be defined for purposes of this exemption by regulation duly promulgated by the board; and

(2) the board shall:

(a) require that all the criteria of this subsection have been met;

(b) establish employment lists for the certification of the highest-standing candidates to the prospective employers; and



(c) establish the pay rates for such employees.

**History:** 1953 Comp., § 5-4-31, enacted by Laws 1961, ch. 240, § 4; 1963, ch. 200, § 2; 1967, ch. 181, § 1; 1969, ch. 126, § 1; 1975, ch. 182, § 1; 1977, ch. 247, § 45; 1979, ch. 202, § 6; 1981, ch. 339, § 5; 1987, ch. 254, § 15; 1989, ch. 204, § 10; 1990, ch. 20, § 1; 2014, ch. 78, § 1.

## ANNOTATIONS

**The 2014 amendment**, effective May 21, 2014, allowed the public defender commission to adopt personnel policies and rules to exempt department employees from the Personnel Act; and added Subsection J.

**Due process requirements.** — New Mexico has recognized that nonpolicymaking officials are entitled to due process before they may be dismissed, but members of boards and commissions and heads of agencies appointed by the governor are not entitled to the State Personnel Act's notice and hearing requirements preceding dismissal of state employees. *Mitchell v. King*, 537 F.2d 385 (10th Cir. 1976).

**Removal of personnel from policy-making positions.** — By exempting members of boards and commissions and agency heads from the Personnel Act, under Subsection B, the legislature acknowledges that such policy-making positions are different from other types of employment positions and that such category of persons are not entitled to hearings, provided for by 10-9-13H NMSA 1978, before removal from their positions. *State ex rel. Duran v. Anaya*, 1985-NMSC-044, 102 N.M. 609, 698 P.2d 882.

**The Personnel Act applies to all state employees unless specifically excluded.** — Where, in 2015, the newly elected New Mexico attorney general, before taking office, terminated certain employees within the office of the attorney general (OAG), and where the employees appealed to the state personnel board (board) claiming that 10-9-4 NMSA 1978 made all employees of the OAG classified employees who could not be discharged without the procedural protections of the Personnel Act, 10-9-1 to -25 NMSA 1978, and where the attorney general claimed that all employees of the OAG are exempt because they all serve at the pleasure of the attorney general pursuant to 8-5-5 NMSA 1978, the board erred in concluding that it did not have subject matter jurisdiction to hear the employees' appeal on the ground that the employees were not entitled to the protections of the Personnel Act, because the Personnel Act, as a comprehensive revision of the law on the subject of state public employment, supersedes 8-5-5 NMSA 1978, and the plain language of this section specifically provides that the Personnel Act applies to "all state positions" except those falling within specific categories. *Landau v. N.M. Att'y Gen.*, 2019-NMCA-041, cert. denied.

**Purposes underlying exemptions.** — The purposes underlying the exemption of certain classes of employees are not to preclude them from benefits such as vacation and sick leave. 1969 Op. Att'y Gen. No. 69-47.

**Meaning of "division".** — In determining whether departments are "divisions" for purposes of Personnel Act coverage, it is well to keep in mind that there is nothing magic in the word "division"; whether a subdivision of a governmental agency is termed a unit, department, bureau or something else is not the determining factor. Rather the critical determination is whether the subdivision is a major component within the internal administrative framework of the state agency, with certain policy-making powers vested in the head of the "unit"; if so, the department or unit is a "division" within the meaning of the Personnel Act. 1963 Op. Att'y Gen. No. 63-90.

**Certain positions exempt.** — The following departments, agencies, offices, etc., are exempt from the Personnel Act because they are neither (1) not state positions within the meaning of the act or (2) they are not official state agencies within the meaning of the act: district judges, New Mexico historical society and probation officers. 1961 Op. Att'y Gen. No. 61-28.

**Employing agency's determination of exemption prima facie correct.** — When an employing agency employs a person to hold an exempt position and so notifies the personnel department (personnel director), the determination by the employing agency is to be considered as prima facie correct. 1963 Op. Att'y Gen. No. 63-105.

**Status of classified employees upon transfer to successor department.** — If classified personnel of a department are transferred to a new, supplanting department, the personnel retain the same classified status and position that they held in the former department and are thus within the coverage of the Personnel Act, 10-9-1 NMSA 1978 et seq.; if a classified position is to become exempt from the provisions of the Personnel Act, then it must first become vacant. 1983 Op. Att'y Gen. No. 83-03.

**Associate museum directors exempt.** — The four associate directors of the museum of New Mexico are exempt from the Personnel Act under Subsection C. 1962 Op. Att'y Gen. No. 62-19.

**Judicial employees are specifically exempt** from the Personnel Act. 1969 Op. Att'y Gen. No. 69-47.

**Coverage of insurance department personnel.** — All insurance department personnel are covered under the Personnel Act except those, if any, who have been properly excluded under the provisions of this section. 1964 Op. Att'y Gen. No. 64-121.

**Classification of corrections department teachers.** — Teachers employed by the department of corrections should be classified as state employees under the State Personnel Act. 1974 Op. Att'y Gen. No. 74-02.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States § 86.

**10-9-4.1. Personnel Act; rocky mountain information network employees; exemption from coverage.**

A. Notwithstanding the provisions of Section 10-9-4 NMSA 1978, all employees of the rocky mountain information network who commence employment on or after the effective date of this act are exempt from coverage under the Personnel Act.

B. Notwithstanding the provisions of Section 10-9-4 NMSA 1978, any employee of the rocky mountain information network who was employed prior to the effective date of this act may elect to become exempt from coverage under the Personnel Act by filing a written election to do so with the director of the rocky mountain information network and the director of the state personnel office. An election is effective upon filing and shall be irrevocable so long as the employee remains employed by the rocky mountain information network.

C. As used in this section, "rocky mountain information network" means that project funded by the United States department of justice, regulated by the provisions of 28 Code of Federal Regulations, Part 23, created as part of the regional information sharing systems program established by the United States department of justice and serving law enforcement agencies in the states of New Mexico, Arizona, Nevada, Colorado, Wyoming, Montana, Idaho and Utah.

**History:** Laws 1987, ch. 337, § 1.

## **ANNOTATIONS**

**Compiler's notes.** — The phrase "effective date of this act", referred to in Subsections A and B, means June 19, 1987, the effective date of Laws 1987, ch. 337.

### **10-9-5. Public officers and public employees; executive branch; annual exempt salaries plan.**

A. The department of finance and administration shall prepare, by December 1 of each year, an exempt salaries plan for the governor's approval. The plan shall specify salary ranges for the following public officer and public employee positions of the executive branch of government:

- (1) members of boards and commissions appointed by the governor;
- (2) heads of agencies or departments appointed by the governor;
- (3) heads of agencies or departments appointed by the respective boards and commissions of the agencies;
- (4) directors of department divisions;
- (5) employees in the governor's office;

(6) positions in the state militia and the commissioned officers of the New Mexico state police division of the department of public safety;

(7) assistants and secretaries in the offices of each official covered by Paragraphs (2), (3) and (10) of this subsection;

(8) positions of a professional or scientific nature which are temporary in nature;

(9) state employees whose positions the personnel board has classified as policy-making positions and exempt employees of elective public officials; and

(10) secretaries of departments appointed by the governor.

B. Excluded from the provisions of this section are employees of the commission on higher education and employees of state educational institutions named in Article 12, Section 11 of the constitution of New Mexico.

C. The exempt salaries plan for the ensuing fiscal year, as prepared by the department of finance and administration and approved by the governor, shall be published as a part of the executive budget document presented to the legislature at its next regular session following the preparation of the plan.

D. Upon the governor's approval, the plan shall take effect at the beginning of the subsequent fiscal year.

**History:** 1953 Comp., § 5-4-31.1, enacted by Laws 1978, ch. 96, § 1; 1979, ch. 6, § 1; 1979, ch. 202, § 7; 1987, ch. 254, § 16; 1989, ch. 204, § 11.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1978, ch. 96, § 1, repealed 5-4-31.1, 1953 Comp. (former 10-9-5 NMSA 1978), relating to annual exempt-salaries plan for public officers and employees in the executive branch, and enacted a new 10-9-5 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Validity of statutory classifications based on population, governmental employee salary or pension statutes, 96 A.L.R.3d 538.

67 C.J.S. Officers and Public Employees § 226.

### **10-9-6. Certified school instructors previously employed under the provisions of the Personnel Act.**

Certified school instructors who were employed as certified school instructors by state institutions or state agencies under the provisions of the Personnel Act prior to

July 1, 1974, may elect to continue to be employed under the Personnel Act. Certified school instructors who elect to continue under the Personnel Act shall file a notice of such election with the personnel director prior to the effective date of this act.

**History:** 1953 Comp., § 5-4-31.2, enacted by Laws 1975, ch. 182, § 2.

### **10-9-7. Certain rules changes requiring legislative approval.**

The state personnel office shall not spend any of its appropriation for the promulgating or filing of rules, policies or plans which have significant financial impact or which would require significant future appropriations to maintain without prior, specific legislative approval.

**History:** 1953 Comp., § 5-4-31.3, enacted by Laws 1976, ch. 11, § 1; 1980, ch. 6, § 1; 1984, ch. 7, § 1.

#### **ANNOTATIONS**

**Rules consistent with section.** — Rules of labor-management relations fully protected the legislature's appropriations power since they expressly prohibited any violation of Section 10-9-7 NMSA 1978, and since collective bargaining agreements entered into could only commit funds for purposes for which they had been appropriated, there would be "prior, specific legislative approval". *Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**1983 rules violative of section.** — The current rules for labor-management relations promulgated by the personnel board in 1983 were promulgated in violation of this section, since the rules contain numerous provisions that have, or are likely to have, a significant financial impact and since no specific, prior legislative approval was given for the promulgation. 1987 Op. Att'y Gen. No. 87-41.

### **10-9-8. Personnel board; appointment.**

The personnel board is created, and shall be composed of five members appointed by the governor and confirmed by the senate, who shall serve staggered terms of five years each with one board member's term expiring each year. No person shall be a member of the board or eligible for appointment to the board who is an employee in the service, holds political office or is an officer of a political organization.

**History:** 1953 Comp., § 5-4-32, enacted by Laws 1961, ch. 240, § 5; 1980, ch. 47, § 1.

#### **ANNOTATIONS**

**Meaning of "political office".** — Under the theory advanced by a Kentucky court, any person who is elected by the voters to a public office would be deemed holding a political office within the intent of Laws 1961, ch. 240, §§ 5 and 15 (this section and 10-

9-21 NMSA 1978). This would be so even if the election were conducted along what is commonly known as nonpartisan lines rather than political party lines. The term "political office" applies to every elected public office within the state including, but not limited to state elected positions, county elected positions and municipal elected positions, even if conducted along nonpartisan lines. 1961 Op. Att'y Gen. No. 61-53.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 4, 15 et seq.

### **10-9-9. Board members; pay; meetings.**

Each board member shall be paid per diem and mileage according to the Per Diem and Mileage Act [Chapter 10, Article 8 NMSA 1978] when traveling on board business. The board shall meet at the call of the chairman but in the absence of such call, at least once every two months.

**History:** 1953 Comp., § 5-4-33, enacted by Laws 1961, ch. 240, § 6; 1967, ch. 181, § 2.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 224, 225; 73 C.J.S. Public Administrative Law and Procedure § 19.

### **10-9-10. Board duties.**

The board shall:

- A. promulgate regulations to effectuate the Personnel Act;
- B. hear appeals and make recommendations to employers;
- C. hire, with the approval of the governor, a director experienced in the field of personnel administration;
- D. review budget requests prepared by the director for the operation of the personnel program and make appropriate recommendations thereon;
- E. make investigations, studies and audits necessary to the proper administration of the Personnel Act;
- F. make an annual report to the governor at the end of each fiscal year;
- G. establish and maintain liaison with the general services department; and
- H. represent the public interest in the improvement of personnel administration in the system.

**History:** 1953 Comp., § 5-4-34, enacted by Laws 1961, ch. 240, § 7; 1963, ch. 200, § 3; 1967, ch. 181, § 3; 1983, ch. 301, § 21.

## ANNOTATIONS

**Cross references.** — For the Public Records Act, see Chapter 14, Article 3 NMSA 1978.

**Rules adopted by board may not abridge statutory rights and duties.** — The board has the statutory authority to adopt rules; however, the rules adopted may not abridge the rights or duties imposed by statute. *State ex rel. N.M. State Highway Dep't v. Silva*, 1982-NMCA-121, 98 N.M. 549, 650 P.2d 833.

**Board acts in quasi-judicial capacity in hearing appeals.** — In hearing administrative appeals by employees from agency action, as distinguished from its function in adopting rules and creating policy, the state personnel board acts in a quasi-judicial capacity rather than a policy-making function. *Montoya v. Dep't of Fin. & Admin.*, 1982-NMCA-051, 98 N.M. 408, 649 P.2d 476.

**Collective bargaining authority.** — In New Mexico, there is an implied authority to bargain collectively in the public sector as an incident to the express grant of authority under the Personnel Act. *Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**Effect of word "shall".** — The word "shall" in this section appears to place a mandatory duty upon the board to promulgate rules and regulations to effectuate the Personnel Act. 1964 Op. Att'y Gen. No. 64-22.

**Classification under rule-making authority.** — Under the rule-making authority of this section and Section 10-9-13 NMSA 1978 the state personnel board has a limited and restricted right to classify as confidential certain portions of an individual's personnel file which would not otherwise be made available to the state unless on a confidential or restricted basis. 1964 Op. Att'y Gen. No. 64-19.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 197.

### **10-9-11. Board and office administratively attached to general services department.**

The board and the state personnel office are administratively attached, as defined in the Executive Reorganization Act [9-1-1 to 9-1-10 NMSA 1978], to the general services department.

**History:** 1953 Comp., § 5-4-34.1, enacted by Laws 1977, ch. 247, § 47; 1983, ch. 301, § 22.

## 10-9-12. Director duties.

The director shall:

- A. supervise all administrative and technical personnel activities of the state;
- B. act as secretary to the board;
- C. establish, maintain and publish annually a roster of all employees of the state, showing for each employee his division, title, pay rate and other pertinent data;
- D. make annual reports to the board;
- E. recommend to the board rules he considers necessary or desirable to effectuate the Personnel Act; and
- F. supervise all tests and prepare lists of persons passing them to submit to prospective employers.

**History:** 1953 Comp., § 5-4-35, enacted by Laws 1961, ch. 240, § 8; 1967, ch. 181, § 4.

### ANNOTATIONS

**State law designates the position of personnel director to be a major advisory position.** *Perez v. N.M. Dep't of Workforce Solutions*, 2014-NMCA-035.

**Personnel director was not entitled to unemployment compensation.** — Where petitioner, who was terminated from petitioner's position as personnel director, sought unemployment compensation; and pursuant to the Personnel Act, the personnel director is the administrative director of a governmental office in charge of Personnel Act matters throughout the entirety of state government, must supervise and advise other employees, agencies, departments, divisions, bureaus, sections, boards and commissions in regard to personnel issues and problems, and must recommend and advise the entity responsible for adopting rules for administration of the Personnel Act, petitioner was not entitled to unemployment compensation because the position of personnel director is designated pursuant to state law as a major advisory position which is subject to the exclusion in 51-1-44(A)(5)(a) NMSA 1978. *Perez v. N.M. Dep't of Workforce Solutions*, 2014-NMCA-035.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 197.

## 10-9-13. Rules; adoption; coverage.

Rules promulgated by the board shall be effective when filed as required by law. The rules shall provide, among other things, for:



A. a classification plan for all positions in the service;

B. a pay plan for all positions in the service;

C. competitive entrance and promotion tests to determine the qualifications, fitness and ability of applicants to perform the duties of the position for which they apply. Such rules shall also provide for the awarding to those applicants having a passing grade of two preference points for each year of residency in New Mexico not to exceed a total of ten preference points;

D. exemption from competitive entrance tests for those professional persons applying for classified positions in the service who possess recognized registration or certification by another state agency;

E. a period of probation of one year during which a probationer may be discharged or demoted or returned to the eligible list without benefit of hearing;

F. the establishment of employment lists for the certification of the highest standing candidates to the prospective employers and procedure to be followed in hiring from the lists;

G. hours of work, holiday and leave;

H. dismissal or demotion procedure for employees in the service, including presentation of written notice stating specific reasons and time for the employees to reply thereto, in writing, and appeals to the board;

I. the rejection of applicants who fail to meet reasonable requirements as to age, physical condition, training, experience or moral conduct; and

J. employment of any apparently qualified applicant for a period of not more than ninety days when an emergency condition exists and there are no applicants available on an appropriate employment list as provided in Subsection F of this section. The applicant, if employed, shall be paid at the same rate as a comparable position covered by the Personnel Act.

**History:** 1953 Comp., § 5-4-36, enacted by Laws 1961, ch. 240, § 9; 1963, ch. 200, § 4; 1967, ch. 181, § 5; 1975, ch. 26, § 1; 1983, ch. 28, § 2.

## ANNOTATIONS

**Employee must comply with internal grievance procedures.** — An employee must substantially comply with mandatory internal grievance procedures contained in an employee manual or handbook before filing suit for breach of contract claims based on an alleged failure of an employer to follow its employment policies. *Lucero v. Board of Regents of U.N.M.*, 2012-NMCA-055, 278 P.3d 1043, cert. denied, 2012-NMCERT-004.

Where a university manager was terminated by the university; the manager did not follow the grievance process contained in the university's employee handbook by filing a grievance; the handbook governed the manager's employment with the university; and the manager filed an action in district court for breach of contract and wrongful termination alleging that the employee handbook created a contract and that the university breached the contract by failing to abide by the handbook's policies and procedures governing workplace performance, disciplinary action, a harassment-free workplace, employer-employee relations, progressive discipline and by disciplining the manager without just cause, the manager's claims were barred because the manager failed to exhaust the handbook's internal grievance procedures before filing the breach of contract action based on an alleged failure of the university to follow policies in the handbook. *Lucero v. Board of Regents of U.N.M.*, 2012-NMCA-055, 278 P.3d 1043, cert. denied, 2012-NMCERT-004.

**Claim under the Human Rights Act was not barred by the Personnel Act.** — The protections against discrimination and retaliation contained in the Human Rights Act, Section 28-1-1NMSA 1978 et seq., apply to probationary employees of the state who have been discharged pursuant to the Personnel Act. *Rodriguez v. N.M. Dep't of Workforce Solutions*, 2012-NMCA-059, 278 P.3d 1047.

Where the employee was hired as a probationary employee of the department of workforce solutions; while the employee was a probationary employee, the employee was given notice of dismissal from the employee's position pursuant to the Personnel Act, which permitted the department to terminate the employee without cause; as a probationary employee, the employee had no property interest in continuing employment; and the employee filed a claim under the Human Rights Act, Section 28-1-1NMSA 1978 et seq., alleging discrimination and retaliation based on sex and age, the employee had a right to pursue the claims under the Human Rights Act. *Rodriguez v. N.M. Dep't of Workforce Solutions*, 2012-NMCA-059, 278 P.3d 1047.

**Misconduct.** — The actions of appellant in direct contravention of appellant's superior's instructions to stop yelling at others at the staff meeting was a sufficient basis upon which appellant's supervisors, the state personnel board and the district court could reasonably find misconduct by the appellant within the definition of Rule 14.7(C) of the state personnel rules; the appellant had the status of a supervisor and as such, appellant's behavior and conduct while on duty and while serving the public and individuals who had business with the agency affected the efficiency of the agency. *Romero v. Employment Sec. Dep't*, 1984-NMCA-111, 102 N.M. 71, 691 P.2d 72.

**Rules adopted by board may not abridge statutory rights and duties.** — The board has the statutory authority to adopt rules; however, the rules adopted may not abridge the rights or duties imposed by statute. *State ex rel. N.M. State Highway Dep't v. Silva*, 1982-NMCA-121, 98 N.M. 549, 650 P.2d 833.

**Accrual of annual vacation leave.** — Juvenile probation officers and their staff who were transferred from the New Mexico judicial branch to the New Mexico executive

branch pursuant to the Youth Authority Act, Laws 1988, ch. 101, § 8, were not permitted to continue to accrue annual vacation leave at judicial branch rates under § 47(C) of the act. The rate of accrual of annual leave was not an "accrued benefit" under the plain meaning and structure of § 47(C), which clearly required transferred juvenile probation officers to accrue annual leave at Personnel Act rates from the time of transfer to the executive branch. *Whitely v. N.M. State Personnel Bd.*, 1993-NMSC-019, 115 N.M. 308, 850 P.2d 1011.

**Removal of personnel from policy-making positions.** — By exempting members of boards and commissions and agency heads from the Personnel Act under Section 10-9-4B NMSA 1978, the legislature acknowledges that such policy-making positions are different from other types of employment positions and that such category of persons are not entitled to hearings, provided for by Subsection H of this section, before removal from their positions. *State ex rel. Duran v. Anaya*, 1985-NMSC-044, 102 N.M. 609, 698 P.2d 882.

**Collective bargaining contracts** with governmental employees cannot in any way conflict with, contradict, expand or enlarge the rules of labor-management relations adopted by the state personnel board or any other governmental entity acting in this regard. The same applies to any merit system in place or to be adopted in the future. *Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**Change of definition that denied sick leave incentive benefit.** — Where a collective bargaining agreement permitted employees who were assigned to shift work in a twenty-four hour facility and who did not utilize sick leave for a calendar quarter to receive eight hours of administrative leave; after an arbitrator decided that the sick leave incentive benefit did not apply only to workers who worked an assignment that constituted an unending twenty-four-hour coverage of the job, the state personnel board adopted a regulation that defined "shift work schedule" to be a normal work schedule assigned to an employee as part of a rotating group of individuals that must continuously maintain a twenty-four hour operation; and the union claimed that some state agencies had in the past given the sick leave incentive to workers working in a twenty-four-hour facility even when the workers did not work in a position requiring continuous shifts within a twenty-four hour period, that the state used the new definition to deny the benefit to workers in jobs that did not require twenty-four hour coverage, that the board attempted to circumvent the arbitrator's decision by adopting a definition that was the opposite of the definition the arbitrator had adopted, that the regulation denied sick leave incentive pay that the state had contractually agreed to provide and had paid in the past, and that the regulation impaired the agreement in violation of the Contract Clause of the United States Constitution and the New Mexico Constitution, the union's complaint adequately pled that the regulation would substantially impair an existing contract right so as to make the regulation unconstitutionally retroactive and stated a cause of action on which relief could be granted. *AFSCME Council 18 v. State of N.M.*, 2013-NMCA-106.

**No valid delegation of authority to promulgate rules.** — The words "among other things" at the beginning of this section do not constitute a valid delegation of legislative power, authorizing the personnel board to promulgate rules allowing state employees to bargain collectively with state agencies, since the state constitution commits New Mexico to the doctrine of separation of powers and vests the legislative powers in the legislature. It is fundamental that no one of the three branches can delegate effectively any of the powers which belong to it. 1987 Op. Att'y Gen. No. 87-41, *overruled by Local 2238 of AFSCME v. Stratton*, 1989-NMSC-003, 108 N.M. 163, 769 P.2d 76.

**No presumptive ratification of rules.** — Legislative acquiescence in and ratification of the rules for labor-management relations promulgated by the personnel board should not be presumed because the legislature did not disapprove collective bargaining when it amended this section in 1975 and Section 10-9-18 NMSA 1978 in 1980. 1987 Op. Att'y Gen. No. 87-41.

**Requiring physical examination.** — The state personnel board has the authority to require a physical examination of all applicants for employment. 1964 Op. Att'y Gen. No. 64-22.

**Harmonization with other act.** — The Personnel Act can be harmonized with the provision in the General Appropriation Act that "insurance department personnel shall have qualifications as established by the superintendent of insurance." 1964 Op. Att'y Gen. No. 64-121.

**Granting of overtime pay or time-off.** — There is no prohibition against the cattle sanitary board (now livestock board) paying its employees engaged in inspecting meat overtime pay or granting compensatory time-off for the extra hours worked. 1967 Op. Att'y Gen. No. 67-20.

**Generally, as to specific work hours.** — There is no requirement contained in the New Mexico constitution or statutes that work be done at any specific hours of the day. 1967 Op. Att'y Gen. No. 67-89.

**Eight-hour days.** — There is no specific requirement, either constitutional or statutory, requiring that employees of the state work an eight-hour day. 1967 Op. Att'y Gen. No. 67-89.

**Classification of personnel file as confidential.** — Under the rule-making authority of this section and 10-9-10 NMSA 1978, the state personnel board has a limited and restricted right to classify as confidential certain portions of an individual's personnel file which would not otherwise be made available to the state unless on a confidential or restricted basis. 1964 Op. Att'y Gen. No. 64-19.

**Salary matter of public record.** — An employee's salary, kept and published under this section, is a matter of public record under 14-2-1 NMSA 1978. 1968 Op. Att'y Gen. No. 68-110.

**Test score and position.** — A job applicant's test score and position on an eligibility list under this section, possessed by the state personnel office, is a public record under 14-2-1 NMSA 1978. 1968 Op. Att'y Gen. No. 68-110.

**Medical and employment histories.** — The medical history and employment history solicited from an applicant's previous employer, under this section, are not public records under 14-2-1 NMSA 1978. 1968 Op. Att'y Gen. No. 68-110.

**Generally, as to employment termination and pay.** — Terminal leave pay is available to involuntarily terminated employees at the discretion of the appointing authority. Terminal leave pay is available to voluntarily resigning employees as a matter of right. The only limitations upon the power of the appointing authority to dismiss are that notice must be given in writing to the dismissed employee and an authorized reason for dismissal must be stated therein. The only limitation on the right of the voluntarily resigning employee to terminal pay is the requirement that he must give 14 days' notice to the appointing authority. 1960 Op. Att'y Gen. No. 60-213.

**Physician dismissal by miners' hospital board.** — The miners' hospital board may dismiss a physician in their employment for not abiding by the rules and regulations of the hospital board, but the physician has the right to appeal the dismissal to the personnel board. 1964 Op. Att'y Gen. No. 64-130.

**Dismissal of employees.** — The miners' hospital board has the power to remove or discharge any employee, but it must exercise this power in accordance with the rules promulgated by the personnel board. 1964 Op. Att'y Gen. No. 64-130.

**Right to board hearing.** — An employee covered by the Personnel Act has a right to a personnel board hearing on his dismissal when the reason given for the dismissal is administrative change and a reduction in personnel. 1962 Op. Att'y Gen. No. 62-138.

**Law reviews.** — For note, "Public Labor Disputes - A Suggested Approach for New Mexico," see 1 N.M. L. Rev. 281 (1977).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — What constitutes unfair labor practice under state employee relations act, 9 A.L.R.4th 20.

67 C.J.S. Officers and Public Employees § 197.

### **10-9-13.1. Legislative finding; purpose of act.**

The legislature finds that residents of the state are a valuable resource in state employment because of their dedication and commitment to the state they live in. Therefore, the purpose of this act [10-9-13, 10-9-13.1 NMSA 1978] is to encourage residents to remain in the state rather than moving out of state because of unsatisfactory employment opportunities in New Mexico.

**History:** Laws 1983, ch. 28, § 1.

### **10-9-13.2. Veteran's preference.**

A. In establishing the list of eligibles for appointment, the board shall provide preference points for veterans honorably discharged from the armed forces of the United States. Veterans with a service-connected disability shall be awarded ten points over and above their regular test scores. Veterans without a service-connected disability shall be awarded five points over and above their regular test scores.

B. The board shall determine the rank on any employment list by adding the points to the veteran's final passing grade on the examination after the veteran has submitted proof of having status as a veteran at the time of application for employment with a state agency. In the case of a veteran having a service-connected disability, the veteran shall provide proof of a service-connected disability in the form of a certification by the federal veterans' administration. A veteran with or without a service-connected disability shall have his name placed on the list in accordance with the numerical rating of other veterans and nonveterans.

**History:** Laws 1989, ch. 43, § 1 and Laws 1989, ch. 284, § 1.

### **ANNOTATIONS**

**Cross references.** — For act's purpose of encouraging residents to remain in state because of favorable employment opportunities, see 10-9-13.1 NMSA 1978.

For reemployment of person in armed forces, see 28-15-1 NMSA 1978.

**Compiler's notes.** — Laws 1989, ch. 43, § 1 and Laws 1989, ch. 284, § 1 enacted virtually identical versions of this section. Subsection A was identical in both versions, but Subsection B in the Laws 1989, ch. 43, § 1 version read "The board shall determine the rank on any employment list by adding the points to the veteran's final passing grade on the examination after the veteran has submitted proof of having status as a veteran at the time of application for employment with a state agency. In the case of having a service-connected disability, the veteran shall provide proof of a service-connected disability in the form of a certification by the United States veterans' administration. A veteran in both five and ten point categories shall have his name placed on the list in accordance with the numerical rating of other veterans and nonveterans." The section was set out as enacted by Laws 1989, ch. 284, § 1. See 12-1-8 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employers §§ 37 to 39.

**10-9-14. Blind not barred from competitive examination; method of testing.**

A. No agency or officer of the state or any of its political subdivisions shall prohibit, prevent, disqualify or discriminate against any blind person, otherwise qualified, from registering, taking or competing in a competitive entrance or promotion test for any position for which the blind person makes application.

B. The state personnel board and all political subdivisions of the state which require competitive or promotion tests for any position shall provide an adequate and equal test by an appropriate method for any blind person requesting such a test at the time of submitting his application.

**History:** 1953 Comp., § 5-4-36.1, enacted by Laws 1967, ch. 71, § 1.

### **ANNOTATIONS**

**Cross references.** — For definition of "agency", see 10-9-3 NMSA 1978.

For the Handicapped Employment Act, see 28-10-9 NMSA 1978 et seq.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 15, 16, 60, 61; 81A C.J.S. States § 86.

### **10-9-15. Duties of state officers and employers.**

All officers and employers of the state shall comply with the Personnel Act. All employers shall hire employees only from employment lists of applicants who meet prescribed minimum requirements and have passed the prescribed tests, provided by the director. All officers and employers shall furnish any records or information which the director or the board requests.

**History:** 1953 Comp., § 5-4-37, enacted by Laws 1961, ch. 240, § 10.

### **ANNOTATIONS**

**Cross references.** — For definition of "employer", see 10-9-3 NMSA 1978.

**Employees in journeyman occupations must obtain certificate of competency.** — The Personnel Act does not exempt state employees in journeyman occupations from obtaining a certificate of competency. 1981 Op. Att'y Gen. No. 81-11.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 197.

### **10-9-16. Status of present employees.**

All employees of the state holding positions brought into the classified service by the Personnel Act shall be continued in their positions and become regular employees

without original examinations, if they have held the position for at least one year immediately prior to the effective date of the Personnel Act. All other employees of the state holding positions brought into the service by the Personnel Act shall be continued in their positions as probationers until they have, not later than one year from the effective date of the Personnel Act, taken and passed a qualifying test prescribed by the director for the position held. An employee who fails to qualify shall be dismissed within thirty days after the establishment of an employment or promotion list for his position. Nothing in the Personnel Act shall preclude the reclassification or reallocation of any position held by an incumbent.

This section shall not apply to employees of the grant-in-aid agencies whose status as employees or probationers shall be recognized under rules to be promulgated by the board.

**History:** 1953 Comp., § 5-4-38, enacted by Laws 1961, ch. 240, § 11.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 60, 61, 64.

#### **10-9-17. Certification of payroll.**

No person shall make or approve payment for personnel services to any person in the service, unless the payroll voucher or account of the pay is certified by the director that the person being paid was employed in accordance with the Personnel Act.

**History:** 1953 Comp., § 5-4-39, enacted by Laws 1961, ch. 240, § 12.

### **ANNOTATIONS**

**Only concern of personnel department (personnel director) under this section** is to certify whether the person shown on a payroll voucher is employed in accordance with the Personnel Act, and this would involve such matters as eligibility for the particular covered position at the particular salary shown on the payroll voucher. 1963 Op. Att'y Gen. No. 63-105.

**Certification authority applies only to positions covered under Personnel Act.** 1963 Op. Att'y Gen. No. 63-105.

The status and compensation of unclassified (exempt) employees is of no concern to the personnel department (personnel director), as its statutory authority is limited to the "service" defined in Subsection C of Section 10-9-3 NMSA 1978. 1963 Op. Att'y Gen. No. 63-105.



**Department of finance and administration corrects computation errors.** — If an objection of the personnel office (personnel director) to a payroll voucher goes to errors in computation or something of like nature, it is for the department of finance and administration to see that such errors are corrected. 1963 Op. Att'y Gen. No. 63-105.

**Exemption questions determined by attorney general.** — The department of finance and administration is to honor a payroll voucher so long as it meets that department's requirements, but if the personnel department is of the opinion that a position is not exempt from coverage under the Personnel Act, a legal question involving statutory interpretation arises, and the matter should be referred to the office of the attorney general for determination. 1963 Op. Att'y Gen. No. 63-105.

**Employing agency's determination of exemption prima facie correct.** — When an employing agency employs a person to hold a position which is exempt from coverage under the Personnel Act and so notifies the personnel department (personnel director), the determination by the employing agency is to be considered as prima facie correct. 1963 Op. Att'y Gen. No. 63-105.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 238; 81A C.J.S. States § 86.

## **10-9-18. Appeals by employees to the board.**

A. An employee who is dismissed, demoted or suspended may, within thirty days after the dismissal, demotion or suspension, appeal to the board. The appealing employee and the agency whose action is reviewed have the right to be heard publicly and to present facts pertinent to the appeal.

B. An applicant denied permission to take an examination or who is disqualified may appeal to the board.

C. The technical rules of evidence shall not apply to appeals to the board.

D. A record shall be made of the hearing, which shall be transcribed if there is an appeal to the district court. Costs of the transcripts, including one copy for the board, shall be paid initially by the agency. The cost of the transcripts may be assessed by the court to the losing party on appeal.

E. The board may designate a hearing officer who may be a member of the board or any qualified state employee to preside over and take evidence at any hearing held pursuant to this section. The hearing officer shall prepare and submit to the board a summary of the evidence taken at the hearing and proposed findings of fact. The board shall render a decision, which shall include findings of fact and conclusions of law.

F. If the board finds that the action taken by the agency was without just cause, the board may modify the disciplinary action or order the agency to reinstate the appealing

employee to the employee's former position or to a position of like status and pay. Every consideration shall be given to placing the appealing employee in the same geographical location in which the employee was employed prior to the disciplinary action. The board may recommend that the appealing employee be reinstated by an agency other than the one that disciplined the appealing employee. When the board orders an agency to reinstate an appealing employee, the reinstatement shall be effective within thirty days of the board's order. The board may award back pay as of the date of the dismissal, demotion or suspension or as of the later date as the board may specify.

G. A party aggrieved by the decision of the board made pursuant to this section may appeal the decision to the district court pursuant to the provisions of Section 39-3-1.1 NMSA 1978.

H. Where the public employer has entered into a collective bargaining agreement pursuant to the Public Employee Bargaining Act [Chapter 10, Article 7E NMSA 1978] covering the employee, such an employee who is dismissed, demoted or suspended may, within thirty days after the dismissal, demotion or suspension, irrevocably elect to appeal the action through arbitration. An appeal under this subsection shall be conducted in accordance with procedures and requirements as set forth in Subsections A, C and D of this section. The arbitrator shall have all of the powers of the board as set forth in Subsection F of this section. A party aggrieved by the decision of the arbitrator may appeal the decision pursuant to Subsection G of this section. The selection of an arbitrator shall be conducted in accordance with selection procedures set forth in the collective bargaining agreement that covers the employee.

**History:** 1978 Comp., § 10-9-18, enacted by Laws 1980, ch. 47, § 2; 1998, ch. 55, § 21; 1999, ch. 265, § 21; 2009, ch. 76, § 2.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1980, ch. 47, § 2, repealed former 10-9-18 NMSA 1978, relating to appeals by employees to the personnel board, and enacted a new section.

**Compiler's notes.** — The reference to the "board" throughout this section apparently means the personnel board. See 10-9-3 NMSA 1978 and notes thereto.

**Cross references.** — For appeal of final decisions by agencies to district court, see 39-3-1.1 NMSA 1978.

For procedures governing administrative appeals to the district court, see Rule 1-074 NMRA.

**The 2009 amendment,** effective June 19, 2009, added Subsection H.

**The 1999 amendment**, effective July 1, 1999, substituted "Section 39-3-1.1" for "Section 12-8A-1" in Subsection G.

**The 1998 amendment**, effective September 1, 1998, in Subsection D, substituted "assessed" for "assesed"; rewrote Subsection G and made minor stylistic changes.

## I. GENERAL CONSIDERATIONS.

**Right to hearing to challenge termination.** — Federal law and, in general, New Mexico law require that when a state employee is terminated, that employee has a right to a hearing to challenge the termination. *Copelin-Brown v. N.M. State Personnel Office*, 399 F.3d 1248 (10th Cir. 2005)

**Three-day mailing rule and notice of appeal.** — While Subsection A of this section does provide that a notice of appeal to the state personnel board shall be filed within 30 days of the notice of termination, this language does not prohibit the board from adopting a three-day mailing rule to provide due process. *N.M. Dep't of Health v. Ulibarri*, 1993-NMCA-048, 115 N.M. 413, 852 P.2d 686.

**Section does not prevent regular cost assessment.** — This section is a specific statute that provides only for the cost of the transcript; it does not prevail over the general statutes and rules governing costs. *State ex rel. N.M. State Highway & Transp. Dep't v. Baca*, 1993-NMCA-149, 116 N.M. 751, 867 P.2d 421, *rev'd in part on other grounds*, 1995-NMSC-033, 120 N.M. 1, 896 P.2d 1148.

## II. SCOPE AND STANDARD OF BOARD REVIEW.

**Board acts in quasi-judicial capacity in hearing appeals.** — In hearing administrative appeals by employees from agency action, as distinguished from its function in adopting rules and creating policy, the state personnel board acts in a quasi-judicial capacity rather than a policy-making function. *Montoya v. Dep't of Fin. & Admin.*, 1982-NMCA-051, 98 N.M. 408, 649 P.2d 476.

**Board may modify agency's action.** — The board can find there was employee misconduct and can also determine that the agency's action was inappropriate for the misconduct found by the board. The board may then modify the agency's action, and this includes reinstatement of a dismissed employee. *State ex rel. N.M. State Highway Dep't v. Silva*, 1982-NMCA-121, 98 N.M. 549, 650 P.2d 833.

**Discrimination claims.** — The state personnel board is not authorized to adjudicate statutory disability discrimination claims in administrative just-cause termination proceedings. *Martinez v. State Eng'r Office*, 2000-NMCA-074, 129 N.M. 413, 9 P.3d 657, cert. denied, 129 N.M. 385, 9 P.3d 68.

**Just cause.** — The rules adopted by the board limiting the meaning of "just cause" to employee conduct does not abridge the authority conferred upon the board by Section

10-9-18(F) NMSA 1978 to determine whether agency action was "without just cause". *State ex rel. N.M. State Highway Dep't v. Silva*, 1982-NMCA-121, 98 N.M. 549, 650 P.2d 833.

### III. APPELLATE REVIEW.

**Right to appeal reorganization plan approved by board.** — A state employee who was terminated when his position was eliminated because of a lawful reorganization of a department did not have a right to appeal the decision to eliminate his position once the proposed layoff plan had been submitted to the board and the board had given its approval to the plan. *Cibas v. N.M. Energy, Minerals & Natural Res. Dep't*, 1995-NMCA-046, 120 N.M. 127, 898 P.2d 1265.

**Probationer's right to appeal.** — Worker who had not completed the probationary period upon reentry into the classified service was not an "employee" within the meaning of Section 10-9-3 NMSA 1978 and thus not entitled to appeal rights. *Clark v. N.M. Children, Youth & Families Dep't*, 1999-NMCA-114, 128 N.M. 18, 988 P.2d 888, cert. denied, 128 N.M. 148, 990 P.2d 822.

**Agency appeal will stay reinstatement order.** — An appeal by the highway department operates as a stay of an employment reinstatement order. *State ex rel. N.M. State Highway Dep't v. Silva*, 1982-NMCA-121, 98 N.M. 549, 650 P.2d 833.

**Board not indispensable party on appeal.** — The state personnel board is not an indispensable party to an appeal from a final order making an administrative determination as to the employment status of a state employee. *Montoya v. Dep't of Fin. & Admin.*, 1982-NMCA-051, 98 N.M. 408, 649 P.2d 476.

**Exhaustion of administrative remedies.** — Employees, who were discharged by the state department of corrections, could not bypass the administrative procedure after the state personnel board dismissed their appeal in favor of the pursuit of a breach of contract claim in the district court. *Barreras v. State Corrs. Dep't*, 2003-NMCA-027, 133 N.M. 313, 62 P.3d 770, cert. denied, 133 N.M. 413, 63 P.3d 516.

**Appellate review by district court.** — The State Personnel Act limits the role of the district court to appellate jurisdiction as opposed to a fact-finding court of general jurisdiction that would ordinarily apply to breach of contract civil actions. *Barreras v. State Corrs. Dep't*, 2003-NMCA-027, 133 N.M. 313, 62 P.3d 770, cert. denied, 133 N.M. 413, 63 P.3d 516.

**Scope and standard of review by district court.** — In determining whether a decision by the board is supported by substantial evidence in the record as a whole, the district court, on appeal, will review the evidence in the light most favorable to the board's decision. *Jimenez v. Department of Corrs.*, 1984-NMSC-089, 101 N.M. 795, 689 P.2d 1266.

**District court was without power or authority to decide petitioner's dispute over back pay.** — Where the department of health (DOH) terminated petitioner from her employment, and where petitioner appealed her termination through arbitration as provided for under the collective bargaining agreement between the state of New Mexico and state employees, and where the arbitrator sustained petitioner's grievance and ordered DOH to reinstate petitioner and awarded petitioner back pay as of the date of her termination until the date of reinstatement, and where petitioner filed a motion to confirm the award as provided for under NMSA 1978, § 44-7A-23, and where the district court entered an order confirming the arbitration award and ordered DOH to reinstate petitioner and ordered back pay in accordance with the arbitration award, and where DOH provided petitioner with back pay, but in doing so deducted the amount of disability and unemployment compensation payments petitioner had received during her period of unemployment, and where petitioner filed a motion in the district court seeking an order compelling DOH to pay her the full amount of back pay without the deductions, and where the district court denied the motion to compel, finding that DOH was entitled to offset petitioner's earnings as permitted by regulation, the district court was without power or authority to decide petitioner's dispute over the back pay amount that she identified in her motion to compel, because the regulation DOH relied on to make the deductions provided that any dispute regarding back pay shall remain with the arbitrator. Because the parties presented the district court with a dispute that the pertinent regulation reserved for the arbitrator to resolve, the district court did not have the power or authority to rule on the dispute. *N.M. Dep't of Health v. Maestas*, 2023-NMCA-075.

**Substantial evidence.** — A reviewing court on appeal must determine whether, on balance, the record as a whole contains substantial evidence to support the hearing officer's finding. *Anaya v. N.M. State Personnel Bd.*, 1988-NMCA-077, 107 N.M. 622, 762 P.2d 909.

**Arbitrary and capricious.** — Unless a statute provides otherwise, municipal personal board decisions are reviewable on the whole record for arbitrariness, capriciousness, fraud or lack of substantial evidence. *Zamora v. Village of Ruidoso Downs*, 1995-NMSC-072, 120 N.M. 778, 907 P.2d 182.

**Court of appeal's scope of review in reviewing appeals under this article** is the same as that of the district court. *Gallegos v. N.M. State Corrs. Dep't*, 1992-NMCA-013, 115 N.M. 797, 858 P.2d 1276.

#### IV. SPECIFIC CASES.

**Termination without progressive discipline for intentional misconduct.** — Where an employee of the corrections department forcefully struck a stack of coins toward the secretary of corrections and the deputy secretary when the secretary greeted the employee causing the coins to strike the secretary and deputy secretary, and cursed at the secretary and deputy secretary, just cause existed to terminate the employee

without first imposing progressive discipline. *Selmeczki v. N.M. Dep't of Corrs.*, 2006-NMCA-024, 139 N.M. 122, 129 P.3d 158.

**Dismissals from human services department [health care authority department] were in accordance with law** and supported by substantial evidence, which included the failure to promptly report the alleged sexual abuse of a child to the proper authorities. *Perkins v. Dep't of Human Servs.*, 1987-NMCA-148, 106 N.M. 651, 748 P.2d 24.

**No substantial evidence to support dismissal.** — There was not substantial evidence in the record to support the agency's findings that a correctional officer witnessed and failed to report the use of force on an inmate, and the board's decision upholding the officer's dismissal was therefore arbitrary, capricious and contrary to law, where the only direct evidence was the employee's own testimony that he did not see another officer pick up an inmate by the neck and there was no evidence whatsoever that contradicted this testimony. *Gallegos v. N.M. State Corrs. Dep't*, 1992-NMCA-013, 115 N.M. 797, 858 P.2d 1276.

**No just cause for dismissal.** — Both the law and the facts supported a hearing officer's finding that charges of continued misconduct and unprofessional behavior including foul language, sexually charged misconduct, and outbursts of anger, did not amount to just cause for dismissal without progressive discipline. *N.M. Regulation & Licensing Dep't. v. Lujan*, 1999-NMCA-059, 127 N.M. 233, 979 P.2d 744.

**Disciplinary action against prison guards upheld.** — Substantial evidence supported the hearing officer's conclusion that disciplinary action was properly taken against two prison guards in connection with two inmates' escape where it included evidence from more than one confidential informant that inmates never returned to their cellblock following a class and escaped that night, it was not until two days later that a headcount of that cellblock revealed that two inmates were missing, and the inaccuracy of earlier headcounts was one of the reasons for the disciplinary action. *Anaya v. N.M. State Personnel Bd.*, 1988-NMCA-077, 107 N.M. 622, 762 P.2d 909, cert. denied, 107 N.M. 673, 763 P.2d 689.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Rights of state and municipal public employees in grievance proceedings, 46 A.L.R.4th 912.

67 C.J.S. Officers and Public Employees §§ 112, 113, 145 to 185.

## **10-9-19. Reduction in force.**

Whenever an employee is terminated by an employer in a reduction in force by the employer, the terminated employee shall be rehired by that employer if the same or a comparable position becomes available in an increase of force within six months after the termination.

**History:** 1953 Comp., § 5-4-40.1, enacted by Laws 1963, ch. 200, § 7.

### ANNOTATIONS

**Authority to terminate.** — Section 10-9-19 NMSA 1978, by providing rehire rights to employees "terminated by an employer in a reduction in force", implicitly authorizes a state agency or department to terminate an employee due to an authorized reduction in force. *Cibas v. N.M. Energy, Minerals & Natural Resources Dep't*, 1995-NMCA-046, 120 N.M. 127, 898 P.2d 1265.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 115.

### 10-9-20. Oaths; testimony; records; refusal.

The board has the power to administer oaths, subpoena witnesses and compel the production of books and papers pertinent to any investigation or hearing authorized by the Personnel Act. Refusal to testify before the board on matters pertaining to personnel is grounds for dismissal from the service.

**History:** 1953 Comp., § 5-4-41, enacted by Laws 1961, ch. 240, § 14.

### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 73 C.J.S. Public Administrative Law and Procedure §§ 76 to 86.

### 10-9-21. Prohibited acts.

A. No employer shall dismiss an employee for failure or refusal to pay or promise to pay any assessment, subscription or contribution to any political organization or candidate; however, nothing contained in this section shall prevent voluntary contributions to political organizations.

B. No person in the personnel office or employee in the service shall hold political office except for a non-partisan county or municipal office or be an officer of a political organization during his employment. For the purposes of the Personnel Act, being a local school board member or an elected board member of any post-secondary educational institution shall not be construed to be holding political office, and being an election official shall not be construed to be either holding political office or being an officer of a political organization. Nothing in the Personnel Act shall deny employees the right to vote as they choose or to express their opinions on political subjects and candidates.

C. Any employee who becomes a candidate for public office shall, upon filing or accepting the nomination and during the campaign, take a leave of absence. This

subsection does not apply to those employees of a grant-in-aid agency whose political activities are governed by federal statute.

D. The director shall investigate any written charge by any person that this section has been violated and take whatever steps deemed necessary.

E. No person shall be refused the right of taking an examination, from appointment to a position, from promotion or from holding a position because of political or religious opinions or affiliation or because of race or color.

F. No employee or probationer shall engage in partisan political activity while on duty.

G. With respect to employees of federal grant-in-aid agencies, the applicable personnel standards, regulations and federal laws limiting activities shall apply and shall be set forth in rules promulgated by the board.

**History:** 1953 Comp., § 5-4-42, enacted by Laws 1961, ch. 240, § 15; 1963, ch. 200, § 6; 1967, ch. 181, § 6; 1983, ch. 81, § 1; 1991, ch. 152, § 1.

## ANNOTATIONS

**The 1991 amendment,** effective June 14, 1991, inserted "except for a non-partisan county or municipal office" in the first sentence in Subsection B.

**Constitutionality.** — Subsection B does not violate the first amendment guarantee of freedom of speech in requiring that certain state employees not hold public office, nor does it deny equal protection by exempting some state employees from its provisions. *State ex rel. Gonzales v. Manzagol*, 1975-NMSC-002, 87 N.M. 230, 531 P.2d 1203.

**Legislative power.** — The legislature had the constitutional power under N.M. Const., art. VII, § 2B, to enact this section and to thereby provide, as a qualification or standard for continued employment by the state in a position covered by the State Personnel Act, that the employee not hold "political office." *State ex rel. Gonzales v. Manzagol*, 1975-NMSC-002, 87 N.M. 230, 531 P.2d 1203.

**Example of political office.** — The office of city councilman clearly falls within the definition of a "political office" and petitioner who held such office could properly be discharged from his classified state job under this section. *State ex rel. Gonzales v. Manzagol*, 1975-NMSC-002, 87 N.M. 230, 531 P.2d 1203.

**Scope of prohibition in Subsection B.** — The words "be an officer of a political organization" are relatively clear. The prohibition (in Subsection B) is without restriction and the legislative intent of these words applies with equal force to the highest and lowest office in a political party or organization. Since there is no restriction, all officers of the party or organization are included within the prohibition, from the state chairman



to membership in the central committee or executive committee on down the line to precinct officers and division officers. 1961 Op. Att'y Gen. No. 61-53.

**Leave of absence required when running for office.** — A state employee may seek election to any county office anywhere in the state if the employee takes a leave of absence from the state job while a candidate and, if elected, the employee resigns from the state job. 1992 Op. Att'y Gen. No. 92-01.

**Effect of election to public office.** — Under the theory advanced by a Kentucky court, any person who is elected by the voters to a public office would be deemed holding a political office within the intent of Laws 1961, ch. 240, §§ 5 and 15 (10-9-8 NMSA 1978 and this section). This would be so even if the election were conducted along what is commonly known as nonpartisan lines rather than political party lines. The term "political office" applies to every elected public office within the state including, but not limited to state elected positions, county elected positions and municipal elected positions, even if conducted along nonpartisan lines. 1961 Op. Att'y Gen. No. 61-53 (rendered prior to 1963 amendment).

**Effect of section on municipal election judges or clerks.** — Municipal election judges or clerks are not holders of public office under the prohibition of the Personnel Act. 1962 Op. Att'y Gen. No. 62-37.

**Candidate for delegate to constitutional convention.** — A candidate for the position of delegate to the constitutional convention, which is both a temporary and occasional position, is not a candidate for "public office" and need not take a leave of absence. 1969 Op. Att'y Gen. No. 69-28.

**Effect on the delegate.** — The position of delegate to a constitutional convention is not a "political office" within the meaning of Subsection B or C of this section. 1969 Op. Att'y Gen. No. 69-28.

**Generally, as to delegates.** — There is no fundamental inconsistency between the positions of public employee covered by the State Personnel Act and that of delegate to the constitutional convention. 1969 Op. Att'y Gen. No. 69-28.

**County commissioners.** — County commissioners may not serve as state employees unless they are from Los Alamos County, currently the only county in the state with nonpartisan offices. County commissioners from Los Alamos may be employed in the state personnel service if the two positions are not incompatible. 1992 Op. Att'y Gen. No. 92-01.

**Phrase "while on duty"** as used in the Personnel Act means to be actually on the job. 1962 Op. Att'y Gen. No. 62-116.

**When political activity permissible.** — A state employee covered by the Personnel Act may engage in political activity while on annual leave, on week-ends and after working hours during the work week. 1962 Op. Att'y Gen. No. 62-116.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — What constitutes unfair labor practice under state public employee relations act, 9 A.L.R.4th 20.

Validity, construction, and effect of state statutes restricting political activities of public officers or employees, 51 A.L.R.4th 702.

Prohibiting public employee from running for elective office as violation of employee's federal constitutional rights, 44 A.L.R. Fed. 306.

Dismissal of, or other adverse personnel action relating to, public employee for political patronage reasons as violative of First Amendment, 70 A.L.R. Fed. 371.

67 C.J.S. Officers and Public Employees §§ 60, 90, 107, 128, 130, 152.

## **10-9-22. Unlawful acts prohibited.**

It is unlawful to:

A. make any false statement, certificate, mark or rating with regard to any test, certification or appointment made under the Personnel Act;

B. directly or indirectly give, pay, offer, solicit or accept any money or other valuable consideration or secure or furnish any special or secret information for the purpose of affecting the rights or prospects of any person with respect to employment in the service.

**History:** 1953 Comp., § 5-4-43, enacted by Laws 1961, ch. 240, § 16.

## **ANNOTATIONS**

**Cross references.** — For employer immunity from liability for references on former employees, see 50-12-1 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 255, 257, 258.

## **10-9-23. Penalties.**

Any person wilfully violating any provision of the Personnel Act or the rules of the board is guilty of a misdemeanor. In addition to the criminal penalties, a person found guilty of a misdemeanor under the Personnel Act is ineligible for appointment to or employment in a position in the service, and forfeits his office or position.

**History:** 1953 Comp., § 5-4-44, enacted by Laws 1961, ch. 240, § 17.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 22, 135 to 136, 255, 257, 258.

#### **10-9-24. Existing rules.**

Existing personnel rules, policies and pay plans for employees of the state shall govern until new rules, policies and pay plans are established under the Personnel Act.

**History:** 1953 Comp., § 5-4-45, enacted by Laws 1961, ch. 240, § 18.

#### **10-9-25. Federal funds and assistance.**

When the provisions of any laws of the United States, or any rule, order, or regulation of any federal agency or authority providing federal funds for use in New Mexico, either directly or indirectly or as a grant-in-aid, to be matched or otherwise, impose as a condition for the receipt of such funds, other or higher personnel standards or different classifications than are provided for by the Personnel Act, the board has the authority and is directed to adopt rules and regulations to meet the requirements of such law, rule, order or regulation.

**History:** 1953 Comp., § 5-4-46, enacted by Laws 1961, ch. 240, § 19.

## **ARTICLE 10**

### **State Government Internship Program**

#### **10-10-1. Creation of state government internship program.**

There is established under the personnel board the office of inter-university and college training, to administer a program for securing, placing and training qualified university and college students who are New Mexico residents in positions within the state government.

**History:** 1953 Comp., § 5-8-1, enacted by Laws 1959, ch. 73, § 1; 1967, ch. 54, § 1; 1975, ch. 85, § 1.

### **ANNOTATIONS**

**Cross references.** — For personnel board, see 10-9-8 NMSA 1978.

#### **10-10-2. Purposes.**

The purposes of this act [10-10-1 to 10-10-5 NMSA 1978] are:

A. to secure and to channel selected college students into positions within the state government;

B. to aid in the process of coordinating the various institutions of higher learning of the state with the state government;

C. to stimulate the various state agencies and offices to improve their services and functions;

D. to formulate recommendations concerning personnel administration and other programs affecting state personnel.

**History:** 1953 Comp., § 5-8-2, enacted by Laws 1959, ch. 73, § 2.

### **10-10-3. Director of inter-university training program.**

The inter-university training program shall be headed by the personnel director.

**History:** 1953 Comp., § 5-8-3, enacted by Laws 1959, ch. 73, § 3; 1963, ch. 124, § 1; 1967, ch. 54, § 2; 1975, ch. 85, § 2.

### **10-10-4. Duties of director.**

The duties of the personnel director are:

A. with the approval of the personnel board, to establish regulations regarding qualifications, procedures for applying for internships, and related matters;

B. to select and place especially talented university or college students, or graduates, as interns in state government;

C. to provide orientation and training programs for student interns to prepare them for a career in state government;

D. to coordinate the activities of the intern personnel and the various state agencies to obtain the maximum benefits for both the state and the agency personnel; and

E. to submit to the personnel board, the governor and the legislature recommendations concerning the intern program.

**History:** 1953 Comp., § 5-8-4, enacted by Laws 1959, ch. 73, § 4; 1967, ch. 54, § 3; 1975, ch. 85, § 3.

## **ANNOTATIONS**

**Cross references.** — For personnel board, see 10-9-8 NMSA 1978.

For personnel board of the office of inter-university and college training, see 10-10-1 NMSA 1978.

### **10-10-5. Employment of intern personnel.**

A. Every employing office or agency of the state hiring a student or graduate under the inter-university and college program shall be free to employ intern personnel under conditions and salary provisions determined by the employing office or agency. The employing office or agency or the director of inter-university training, with the consent of the employing office or agency, shall have the right to discharge any intern with one week advance notice.

B. The employing office or agency shall cooperate with the personnel director and release intern personnel to participate in orientation or training programs where the employing office or agency head determines that the programs are beneficial and within the functions of the participating state employer. Participation by intern personnel in orientation or training programs in connection with their state employment, when approved by the employing office or agency head, shall be compensated as regular employment.

C. At each college or university in the state which desires to participate in the state government internship program, the president or other chief executive officer shall appoint an intern advisor who will serve as a liaison between the personnel director, the university or college, and the students. The intern advisor shall assist the personnel director in recruiting and selecting students for the program.

**History:** 1953 Comp., § 5-8-5, enacted by Laws 1959, ch. 73, § 5; 1967, ch. 54, § 4; 1975, ch. 85, § 4.

## **ARTICLE 11**

### **Retirement of Public Officers and Employees Generally**

#### **10-11-1. Short title.**

Chapter 10, Article 11 NMSA 1978 may be cited as the "Public Employees Retirement Act".

**History:** Laws 1987, ch. 253, § 1.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-1 NMSA 1978, as amended by Laws 1985 (1st S.S.), ch. 10, § 1, relating to definitions, and enacted the above section, effective July 1, 1987.

**Compiler's notes.** — Laws 1987, ch. 59 purported to amend this section, but was not published because of the repeal and reenactment by Laws 1987, ch. 253. See 12-1-8 NMSA 1978.

**Recovery of worker's compensation benefits and benefits under this article.** — A worker is not precluded from recovering benefits under both the Public Employees' Retirement Act and the Workers' Compensation Act. *Montney v. State ex rel. State Highway Dep't*, 1989-NMCA-002, 108 N.M. 326, 772 P.2d 360.

**Legislative retirement provisions unconstitutional.** — The legislative retirement provisions of the Public Employees' Retirement Act, Chapter 10, Article 11 NMSA 1978, are unconstitutional, invalid and unenforceable: Legislators may receive only per diem and mileage under N.M. Const., art. IV, § 10. 1987 Op. Att'y Gen. No. 87-62.

**The public employee retirement association possesses the legal authority to deduct union dues, and the administrative costs of such deductions, from pension benefits.** — The Public Employees Retirement Act (act) does not address whether the public employees retirement association (PERA) may deduct union dues for its beneficiaries that are also union members, but it does appear that the policy purpose behind the act is to ensure that members benefit from a state-backed retirement plan that accounts for membership needs, including remittance or withholding of funds on behalf of its members, and therefore, where a subsection of PERA's beneficiaries sought dues deductions from their respective benefit amounts for union membership, PERA had the legal authority to deduct union dues from pension benefits of PERA members who are also members of unions. Furthermore, if this subsection of beneficiaries consent to absorbing the administrative costs that accompany the deductions and subsequent remittances to the unions, the subject beneficiaries are knowingly and willingly accepting those administrative costs, which would also appear to comply with the act. *PERA Deduction of Dues from PERA Retirement Benefits for RPENM and AFSCME Members and Reimbursement of PERA's Administrative Costs for the Dues Deduction* (8/25/21), [Att'y Gen. Adv. Ltr. 2021-09](#).

**Law reviews.** — For note and comment: "For This Right There is a Remedy: The New Mexico Supreme Court's Application of Ex Parte Young to Allow Suits Against the State in Gill v. Public Employees Retirement Board", see 35 N.M.L. Rev. 501 (2005).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 60A Am. Jur. 2d Pensions and Retirement Funds §§ 85, 1603 to 1737.

Employer's liability, under state law, for fraud or misrepresentation inducing employee to take early retirement, 14 A.L.R.5th 537.

Construction and application of Employee Retirement Income Security Act of 1974 (29 USCA §§ 1001 et seq.) by United States Supreme Court, 150 A.L.R. Fed. 441.

67 C.J.S. Officers and Public Employees §§ 243 to 249; 70 C.J.S. Pensions and Retirement Plans and Benefits §§ 1 to 6, 19 to 110; 81 A C.J.S. States §§ 112 to 119.

## **10-11-2. Definitions.**

As used in the Public Employees Retirement Act:

A. "accumulated member contributions" means the amounts deducted from the salary of a member and credited to the member's individual account, together with interest, if any, credited to that account;

B. "affiliated public employer" means the state and any public employer affiliated with the association as provided in the Public Employees Retirement Act, but does not include an employer pursuant to the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978], the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978] or the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978];

C. "association" means the public employees retirement association established under the Public Employees Retirement Act;

D. "coverage plan funded ratio" means the ratio of the actuarial value of the assets of a coverage plan to the actuarial accrued liability of the association for payments from the coverage plan, as determined by the association's actuaries;

E. "disability retired member" means a retired member who is receiving a pension pursuant to the disability retirement provisions of the Public Employees Retirement Act;

F. "disability retirement pension" means the pension paid pursuant to the disability retirement provisions of the Public Employees Retirement Act;

G. "educational retirement system" means that retirement system provided for in the Educational Retirement Act;

H. "employee" means any employee of an affiliated public employer;

I. "federal social security program" means that program or those programs created and administered pursuant to the act of congress approved August 14, 1935, Chapter 531, 49 Stat. 620, as that act may be amended;

J. "final average salary" means the final average salary calculated in accordance with the provisions of the applicable coverage plan;

K. "form of payment" means the applicable form of payment of a pension provided for in Section 10-11-117 NMSA 1978;

L. "former member" means a person who was previously employed by an affiliated public employer, who has terminated that employment and who has received a refund of member contributions;

M. "fund" means the funds included under the Public Employees Retirement Act;

N. "member" means a currently employed, contributing employee of an affiliated public employer, or a person who has been but is not currently employed by an affiliated public employer, who has not retired and who has not received a refund of member contributions; "member" also includes the following:

(1) "adult correctional officer member" means a member who is employed as an adult correctional officer or an adult correctional officer specialist by a state correctional facility of the corrections department or its successor agency;

(2) "adult probation and parole officer member" means a member who is employed as a probation and parole officer by the corrections department or its successor agency;

(3) "juvenile correctional officer member" means a member who is employed as a juvenile correctional officer by the children, youth and families department or its successor agency;

(4) "juvenile probation and parole officer member" means a member who is employed as a probation and parole officer by the children, youth and families department or its successor agency;

(5) "municipal detention officer member" means a member who is employed by an affiliated public employer other than the state and who has inmate custodial responsibilities at a facility used for the confinement of persons charged with or convicted of a violation of a law or ordinance;

(6) "municipal fire member" means any member who is employed as a full-time nonvolunteer firefighter by an affiliated public employer and who has taken the oath prescribed for firefighters;

(7) "municipal police member" means any member who is employed as a police officer by an affiliated public employer, other than the state, and who has taken the oath prescribed for police officers; and

(8) "state police member" means a member who is an officer of the New Mexico state police division and who has taken the oath prescribed for such officers and shall include a member who is an officer of the New Mexico state police division and



who was certified and commissioned in the former motor transportation division or the former special investigations division of the department of public safety;

O. "membership" means membership in the association;

P. "pension" means a series of monthly payments to a retired member or survivor beneficiary as provided in the Public Employees Retirement Act;

Q. "public employer" means the state, any municipality, city, county, metropolitan arroyo flood control authority, economic development district, regional housing authority, soil and water conservation district, entity created pursuant to a joint powers agreement, council of government, conservancy district, irrigation district, water and sanitation district, water district and metropolitan water board, including the boards, departments, bureaus and agencies of a public employer, so long as these entities fall within the meaning of governmental plan as that term is used in Section 414(d) of the Internal Revenue Code of 1986, as amended;

R. "refund beneficiary" means a supplemental needs trust or a natural person designated by the member, in writing, in the form prescribed by the association, as the trust or person that would be refunded the member's accumulated member contributions payable if the member dies and no survivor pension is payable or that would receive the difference between pension paid and accumulated member contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions;

S. "retire" means to:

(1) terminate employment with all employers covered by any state system or the educational retirement system; and

(2) receive a pension from a state system or the educational retirement system;

T. "retired member" means a person who has met all requirements for retirement and who is receiving a pension from the fund;

U. "retirement board" means the retirement board provided for in the Public Employees Retirement Act;

V. "salary" means the base salary or wages paid a member, including longevity pay, for personal services rendered an affiliated public employer. "Salary" shall not include overtime pay, unless the overtime payment is required for a regular scheduled tour of duty as set forth in Section 207(k) of Title 29 of the United States Code and is made on the regular payroll for the period represented by that payment, allowances for housing, clothing, equipment or travel, payments for unused sick leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for

the period represented by that payment, and any other form of remuneration not specifically designated by law as included in salary for Public Employees Retirement Act purposes. Salary in excess of the limitations set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, shall be disregarded. The limitation on compensation for eligible employees shall not be less than the amount that was allowed to be taken into account under the state retirement system acts in effect on July 1, 1993. For purposes of this subsection, "eligible employee" means an individual who was a member of a state system before the first plan year beginning after December 31, 1995;

W. "state system" means the retirement programs provided for in the Public Employees Retirement Act, the Magistrate Retirement Act and the Judicial Retirement Act;

X. "state retirement system acts" means collectively the Public Employees Retirement Act, the Magistrate Retirement Act, the Judicial Retirement Act and the Volunteer Firefighters Retirement Act [Chapter 10, Article 11A NMSA 1978];

Y. "supplemental needs trust" means a valid third- party irrevocable trust that is authorized by the federal Social Security Act, as amended, for the sole benefit and lifetime of a trust beneficiary who is disabled and is created for the purpose of providing, accounting for or receiving supplemental assets that do not supplant, impair or diminish any benefits or assistance of any federal, state or other government entity for which the beneficiary would otherwise be eligible; and

Z. "survivor beneficiary" means a supplemental needs trust or a natural person that receives a pension or that has been designated to be paid a pension as a result of the death of a member or retired member.

**History:** Laws 1987, ch. 253, § 2; 1989, ch. 31, § 1; 1989, ch. 333, § 1; 1991, ch. 231, § 1; 1992, ch. 116, § 1; 1993, ch. 160, § 1; 1995, ch. 115, § 1; 2003, ch. 268, § 1; 2005, ch. 196, § 1; 2013, ch. 225, § 1; 2015, ch. 3, § 42; 2020, ch. 11, § 1; 2021, ch. 36, § 1; 2021, ch. 38, § 1; 2023, ch. 156, § 1.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-2 NMSA 1978, as enacted by Laws 1965, ch. 284, § 1, relating to short title of Public Employees' Retirement Act, and enacted a new 10-11-2 NMSA 1978.

**Cross references.** — For county hospitals, retirement plans for employees, see 4-48B-17 NMSA 1978.

For Sections 401(a)(17) and 414(d) of the federal Internal Revenue Code, see 26 U.S.C. §§ 401(a)(17) and 414(d), respectively.

**The 2023 amendment**, effective June 16, 2023, defined "supplemental needs trust" and revised the definition of "survivor beneficiary"; added a new Subsection Y and redesignated former Subsection Y as Subsection Z; and in Subsection Z, after "means a", added "supplemental needs trust or a natural".

**2021 Amendments.** — Laws 2021, ch. 36, § 1, effective July 1, 2021, revised the definition of "state police member" as used in the Public Employees Retirement Act, to include certain state police division officers under the state police member, correctional officer member and probation and parole officer member coverage plan 1; and in Subsection N, Paragraph N(8), after the first occurrence of "New Mexico state police", added "division", after "prescribed for such officers", deleted "except that a state police member" and added "and", after "shall", deleted "not", and after "certified and commissioned", deleted "as of June 30, 2015".

Laws 2021, ch. 38, § 1, effective July 1, 2021, included overtime pay required for a regular scheduled tour of duty in the definition of "salary" as used in the Public Employees Retirement Act; and in Subsection V, added "unless the overtime payment is required for a regular scheduled tour of duty as set forth in Section 207(k) of Title 29 of the United States Code and is made on the regular payroll for the period represented by the payment".

**Applicability.** — Laws 2021, ch. 38, § 7 provided that the provisions of Laws 2021, ch. 38, § 1 apply to a member's salary or wages earned on or after July 1, 2021.

**Temporary provisions.** — Laws 2021, ch. 36, § 2 provided that on or before December 30, 2021, the retirement board provided for in the Public Employees Retirement Act shall conduct an election to submit to state police members currently contributing under state general member coverage plan 3 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1 and counting any credited service served since July 1, 2015 under state general member coverage plan 3 as credited service under state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before January 1, 2022.

Laws 2021, ch. 36, § 3 provided that the state police members currently contributing under state general member coverage plan 3 adopt the question provided in Laws 2021, ch. 36, § 2, the public employees retirement association shall count credited service served under state general member coverage plan 3 between July 1, 2015 and the date the election is certified as credited service under state police member, correctional officer member and probation and parole officer member coverage plan 1.

**The 2020 amendment**, effective July 1, 2020, provided definitions for "coverage plan funded ratio", "adult probation and parole officer member", and "juvenile probation and parole officer member" as used in the Public Employees Retirement Act; added a new

Subsection D and redesignated the succeeding subsections accordingly; and in Subsection N, added a new Paragraph N(2) and redesignated former Paragraph N(2) as Paragraph N(3), and added a new Paragraph N(4) and redesignated former Paragraphs N(3) through N(6) as Paragraphs N(5) through N(8), respectively.

**The 2015 amendment**, effective July 1, 2015, clarified that a "state police member" pursuant to the Public Employees Retirement Act does not include certain officers within the New Mexico state police division of the department of public safety, to reflect the reorganization of department of public safety; in Subsection M, Paragraph 6, after "means", deleted "any" and added "a", and after "such officers", added the remainder of the sentence.

**The 2013 amendment**, effective July 1, 2013, eliminated the hazardous duty member and added the juvenile correctional officer member; deleted former Paragraph (2) of Subsection M, which defined "hazardous duty member" and added Paragraph (2) of Subsection M to define "juvenile correctional officer member".

**The 2005 amendment**, effective June 17, 2005, defined "public employer" in Subsection P to include an irrigation district.

**The 2003 amendment**, effective July 1, 2003, in Subsection M, inserted present Paragraph M(1) and redesignated former Paragraph M(1) as present Paragraph M(2), rewrote present Paragraph M(2), inserted present Subsection M(3) and redesignated former Subsections M(2), M(3) and M(4) to be present Subsections M(4), M(5) and M(6); and substituted "subsection" for "section" following "For purpose of this" near the beginning of the last sentence of Subsection U.

**The 1995 amendment**, effective June 16, 1995, inserted Subsection L, redesignated former Subsections L through W as Subsections M through X, added "so long as these entities fall within the meaning of governmental plan as that term is used in Section 414(d) of the Internal Revenue Code of 1986, as amended" in Subsection P, added the third through fifth sentences in Subsection U, and made minor stylistic changes in Subsection P.

**The 1993 amendment**, effective June 18, 1993, added Subsections D and E; deleted Subsection J, which defined "medical committee"; redesignated the other subsections accordingly; and made stylistic changes in Subsections K and P.

**The 1992 amendment**, effective July 1, 1992, substituted all of the language of Subsection A beginning with "amounts" for "credit balance in a member's individual account in the member contribution fund"; added all of the language of Subsection B beginning with "but"; added Subsection D; redesignated Subsections D to G as Subsections E to H; added Subsection I; redesignated Subsection H as Subsection J; redesignated Subsection I as Subsection K, while rewriting the introductory paragraph; redesignated Subsection J as Subsection L; redesignated Subsection K as Subsection M, while deleting "pension" preceding "beneficiary"; redesignated Subsection L as

Subsection N; rewrote Subsection M and redesignated it as Subsection O; deleted Subsection N, defining "retired member"; added Subsections P and Q; redesignated Subsections O and P as Subsections R and S; added Subsections T and U; and redesignated Subsection Q as Subsection V, while therein deleting "pension" preceding "beneficiary", substituting "receives" for "is being paid", and deleting ", vested former member" following "member".

**The 1991 amendment**, effective June 14, 1991, inserted "water and sanitation district, water district and metropolitan water board" and made a related stylistic change in Subsection L.

**"Salary"**. — Injury time payments to city employees which did not exceed the difference between workers' compensation benefits and the employees' regular pay, were not "wages paid for personal services rendered" within the meaning of Subsection P. 1988 Op. Att'y Gen. No. 88-23.

Workers' compensation benefits are not "wages paid for personal services rendered", but rather are benefits to compensate the injured employee for a portion of those wages he might have earned but for his injury during the course of his employment. Thus, the benefits are not "salary" for purposes of Subsection P. 1988 Op. Att'y Gen. No. 88-23.

Subsection U's exclusion of overtime, clothing and other allowances evidences legislative intent to exclude fringe benefits. 1988 Op. Att'y Gen. No. 88-23.

Cash payments to retiring city employees for compensatory time, which were not part of the regular, periodic wages of those employees, were not "salary" for purposes of Subsection P. 1988 Op. Att'y Gen. No. 88-23.

Payments for unused sick leave, whether converted to annual leave or not, were not "salary" as defined by Subsection U. 1988 Op. Att'y Gen. No. 88-23.

**Lump sum annual leave payment.** — A retired city policeman's benefits could not be calculated to include a lump sum annual leave payment for 586.56 hours where he was covered under a police officers' association's collective bargaining agreement with the city that permitted cash compensation upon termination for "any" unused vacation. 1988 Op. Att'y Gen. No. 88-23.

**Law reviews.** — For note, "Community Property - Spouse's Future Federal Civil Service Disability Benefits are Community Property to the Extent the Community Contributed to the Civil Service Fund During Marriage: Hughes v. Hughes," see 13 N.M.L. Rev. 193 (1983).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Validity of statutory classifications based on population - governmental employee salary or pension statutes, 96 A.L.R.3d 538.

What constitutes "salary," "wages," "pay," or the like, within pension law basing benefits thereon, 91 A.L.R.5th 225.

Validity under § 302(c)(5) of the Labor Management Relations Act (29 USC § 186(c)(5), of trust fund eligibility provisions regarding health, compensation, and retirement benefits, 58 A.L.R. Fed. 171.

67 C.J.S. Officers and Public Employees §§ 243, 245; 81A C.J.S. States §§ 46, 112 to 119.

### **10-11-2.1. Definitions.**

As used in Chapter 10, Article 11 NMSA 1978, with reference to the public employees retirement association, "executive secretary" means "executive director".

**History:** 1978 Comp., § 10-11-2.1, enacted by Laws 1997, ch. 189, § 1.

### **10-11-2.2. Additional definition; state legislator member.**

As used in the Public Employees Retirement Act, "state legislator member" means a person who is currently serving or who has served as a state legislator or lieutenant governor and who has elected to participate in a state legislator member retirement plan. A former state legislator or former lieutenant governor may be a state legislator member whether or not currently receiving a pension under a state legislator member coverage plan.

**History:** Laws 2004, ch. 68, § 1.

## **ANNOTATIONS**

**Emergency clauses.** — Laws 2004, ch. 68, § 6 contained an emergency clause and was approved March 4, 2004.

### **10-11-3. Membership; requirements; exclusions; termination.**

A. Except as may be provided for in the Volunteer Firefighters Retirement Act [Chapter 10, Article 11A NMSA 1978], the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978], the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978], the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978] and the provisions of Sections 29-4-1 through 29-4-11 NMSA 1978 governing the state police pension fund, each employee and elected official of every affiliated public employer shall be a member of the association, unless excluded from membership in accordance with Subsection B of this section.

B. The following employees and elected officials are excluded from membership in the association:

(1) elected officials who file with the association a written application for exemption from membership within twenty-four months of taking office;

(2) elected officials who file with the association a written application for exemption from membership within twenty-four months of the date the elected official's public employer becomes an affiliated public employer;

(3) employees designated by the affiliated public employer as seasonal or student employees or as trainee participants of the federally funded and state-funded senior employment trainee program, administered by the aging and long-term services department;

(4) employees who file with the association a written application for exemption from membership within thirty days of the date the employee's public employer becomes an affiliated public employer;

(5) employees of an affiliated public employer that is making contributions to a private retirement program on behalf of the employee as part of a compensation arrangement who file with the association a written application for exemption within thirty days of employment, unless the employee has previously retired under the provisions of the Public Employees Retirement Act;

(6) employees of an affiliated public employer who have retired under and are receiving a pension pursuant to the provisions of the Educational Retirement Act; and

(7) retired members who return to work pursuant to Section 10-11-8 NMSA 1978 and are exempted from membership by the provisions of that section.

C. Employees designated as seasonal and student employees shall be notified in writing by their affiliated public employer of the designation and the consequences of the designation with respect to membership, service credit and benefits. A copy of the notification shall be filed with the association within thirty days of the date of employment.

D. An exemption from membership by an elected official shall expire at the end of the term of office for which filed.

E. Employees and elected officials who have exempted themselves from membership may subsequently withdraw the exemption by filing a membership application. Membership shall commence the first day of the first pay period following the date the application is filed.

F. The membership of an employee or elected official shall cease if the employee terminates employment with an affiliated public employer or the elected official leaves office and the employee or elected official requests and receives a refund of member contributions.

**History:** Laws 1987, ch. 253, § 3; 1992, ch. 116, § 2; 1993, ch. 160, § 2; 1995, ch. 114, § 1.; 2004, ch. 68, § 2; 2009, ch. 137, § 1.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-3 NMSA 1978, as enacted by Laws 1967, ch. 25, § 1, relating to exemption of national guard employees, and enacted a new section effective July 1, 1987.

**The 2009 amendment,** effective June 19, 2009, in Paragraph (3) of Subsection B, after "student employees", added the remainder of the sentence.

**The 2004 amendment,** effective March 4, 2004, amended Paragraphs (1) and (2) of Subsection B to extend the time period for filing an application for exemption from membership from 30 days to 24 months and added Paragraph (7) of Subsection B.

**The 1995 amendment,** effective June 16, 1995, added Paragraph (6) in Subsection B, and made minor stylistic changes in Paragraphs (4) and (5) in Subsection B.

**The 1993 amendment,** effective June 18, 1993, in Subsection B, deleted Paragraphs (1) and (5), which read: "elected officials who are not members on June 30, 1987" and "employees on June 30, 1987 who have been excluded from membership as a consequence of being in a part-time or temporary occupational classification", respectively, redesignated the remaining paragraphs accordingly, substituted "thirty" for "ninety" in Paragraphs (1) and (2), and rewrote Paragraph (4); added "of the date of employment" to the end of Subsection C; and rewrote Subsection F.

**The 1992 amendment,** effective July 1, 1992, added all of the language of Subsection B(7) beginning with "unless" and made minor stylistic changes throughout the section.

**Exemption of elected official.** — A person who was a contributing member of the retirement association at the time of taking office as an elected official has the right to exempt himself as an elected official. 1957 Op. Att'y Gen. No. 57-90.

An elected official who has been a member of the association for one elected term of office may choose to exempt himself from membership when he commences serving a successive term of that elective office. However, the official may not "retire," resume office under a successive term to which he has been re-elected, and attempt to invoke the "elected official" exception to membership and benefit suspension. 1989 Op. Att'y Gen. No. 89-25.

An elected official who is exempt from membership on June 30, 1987 must file an exemption from membership with respect to that official's successive term of office to remain exempt from membership. 1989 Op. Att'y Gen. No. 89-25.



**Person appointed to fill unexpired term of elected official.** — A person appointed to fill an unexpired term of an elected official may exempt himself from membership in the association for the remainder of that term. 1989 Op. Att'y Gen. No. 89-25.

**An "appointee" to an elective office is an "elected official"** for purposes of Subsection B's membership exemption option. 1989 Op. Att'y Gen. No. 89-25.

**Employees exempted from membership.** — Full-time city public school teacher who was a member of the educational retirement system, and who was simultaneously employed on a part-time basis by the city, was not required to be a member of the Public Employees Retirement Association. 1988 Op. Att'y Gen. No. 88-70. (decided prior to 1995 amendment).

**Benefits under Volunteer Firefighters Act precluded.** — A Public Employees Retirement Act member, having entitlement to PERA retirement benefits upon meeting the necessary age and service requirements, may not also participate in and receive benefits under the Volunteer Firefighters Act. 1987 Op. Att'y Gen. No. 87-75.

**Benefits suspended upon employment by entity covered by Educational Retirement Act.** — A Public Employees Retirement Act retiree who returns to employment with a governmental entity whose employees are covered exclusively under the provisions of the Educational Retirement Act for retirement purposes may not continue to receive PERA benefits. Such retiree's benefits must be suspended. That retiree is employed by an affiliated public employer and his "membership," within the meaning of that term, is not provided for in the PERA. 1987 Op. Att'y Gen. No. 87-79. (decided prior to 1995 amendment).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 246; 81A C.J.S. States §§ 46, 112 to 119.

#### **10-11-4. Service credit; requirements for; forfeiture; reinstatement.**

A. Personal service rendered an affiliated public employer by a member shall be credited to the member's service credit account in accordance with retirement board rules and regulations. Service shall be credited to the nearest month. In no case shall any member be credited with a year of service for less than twelve months of service in any calendar year or more than a month of service for all service in any calendar month or more than a year of service for all service in any calendar year. In no case shall any member be allowed to purchase service credit unless the purchase is authorized in the Public Employees Retirement Act.

B. Personal service rendered an affiliated public employer prior to August 1, 1947 shall be credited to a member if the member acquires one year of service credit for personal service rendered an affiliated public employer.

C. Personal service rendered an affiliated public employer after July 31, 1947 but prior to the date the public employer became an affiliated public employer is prior service and shall be credited to a member if:

(1) the member has the applicable minimum number of years of service credit required for normal retirement. As used in this paragraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer; and

(2) the member pays the association the amount determined in accordance with Subsection D of this section.

D. The purchase cost for each month of service credit purchased under the provisions of this section is equal to the member's final average salary multiplied by the sum of the member contribution rate and employer contribution rate determined in accordance with the coverage plan applicable to the member at the time of the written election to purchase. Full payment shall be made in a single lump-sum amount in accordance with the procedures established by the retirement board. The portion of the purchase cost derived from the employer contribution rate shall be credited to the employers accumulation fund and shall not be refunded to the member in the event of cessation of membership. In no case shall any member be credited with a month of service for less than the purchase cost as defined in this section.

E. Service credit shall be forfeited if a member terminates employment with an affiliated public employer and withdraws the member's accumulated member contributions.

F. A member or former member who is a member of another state system or the educational retirement system and who has forfeited service credit by withdrawal of member contributions may reinstate the forfeited service credit by repaying the amount withdrawn plus compound interest from the date of withdrawal to the date of repayment at the rate set by the retirement board. Withdrawn member contributions may be repaid in increments of one year in accordance with the procedures established by the retirement board. Full payment of each one-year increment shall be made in a single lump-sum amount in accordance with procedures established by the retirement board.

**History:** Laws 1987, ch. 253, § 4; 1992, ch. 116, § 3; 1997, ch. 189, § 2; 2013, ch. 225, § 2.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-4 NMSA 1978, as amended by Laws 1985, ch. 253, § 1, relating to retirement association and retirement board, and enacted a new section, effective July 1, 1987.

**The 2013 amendment**, effective July 1, 2013, increased the vesting period; in Paragraph (1) of Subsection C, in the first sentence, after "the member", deleted "acquires five" and added "has the applicable minimum number of" and after "service credit", deleted "for personal service rendered an affiliate public employer" and added "required for normal retirement", and added the second sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1997 amendment**, effective June 20, 1997, added the third sentence in Subsection A and inserted "retirement" preceding "board" throughout the section.

**The 1992 amendment**, effective July 1, 1992, substituted "service credit" for "credited service" in the section catchline and several times throughout the section; deleted Subsection B, relating to service rendered as a judge; redesignated Subsections C and D as Subsections B and C; substituted "Subsection D" for "Subsection E" in Subsection C(2); and rewrote Subsections E to G and redesignated them as Subsections D to F.

**Early retiree purchase of service credits.** — Despite the clarity and precision of its formula for computing the cost of a retiring employee's additional purchased service credit, § 139 of Laws 1987, ch. 253 (uncompiled) was ambiguous; it was ambiguous because of its reference to the seventy-fifth fiscal year (the 12-month period ending June 30, 1987), which had already ended when § 139 became effective on July 1, 1987. The section provided that an employee could purchase up to five years of credited service "during the seventy-fifth or seventy-sixth fiscal year," subject to various conditions. Not only was the statute ambiguous by referring to both the seventy-fifth and seventy-sixth fiscal years at the same time, it was also internally inconsistent; the cost for an additional year of service credit had already been fixed by Section 3 of the 1986 amendment to this article (Chapter 89), and no one argues that § 139 was intended to change that cost, retroactively, to comport with the formula spelled out later in § 139. Thus, the early retirees in the seventy-sixth fiscal year under Laws 1987, Ch. 253, § 139 were required to pay an equivalent amount to purchase service credits as paid by early retirees under Laws 1986, ch. 89, § 3. *State ex rel. Helman v. Gallegos*, 1994-NMSC-023, 117 N.M. 346, 871 P.2d 1352.

**Purchase of increased earnings.** — Subsection D does not permit a member to purchase increased earnings, and a contract under a former law which resulted solely in increasing final average salary must be refunded together with the amount of interest paid. 1988 Op. Att'y Gen. No. 88-17.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Disciplinary suspension of public employee as affecting computation of length of service for retirement or pension purposes, 6 A.L.R.2d 506.

67 C.J.S. Officers and Public Employees § 246; 81A C.J.S. States §§ 46, 112 to 119.

## 10-11-4.1. Repealed.

### ANNOTATIONS

**Repeals.** — Laws 1987, ch. 253, § 140, repealed 10-11-4.1 NMSA 1978, as amended by Laws 1977, ch. 247, § 48, relating to authorization to build and rent building, effective July 1, 1987.

## 10-11-4.2. Correction of errors and omissions; estoppel.

A. If an error or omission results in an overpayment to a member or beneficiary of a member, the association shall correct the error or omission and adjust all future payments accordingly. The association shall recover all overpayments made for a period of up to one year prior to the date the error or omission was discovered.

B. A person who is paid more than the amount that is lawfully due him as a result of fraudulent information provided by the member or beneficiary shall be liable for the repayment of that amount to the association plus interest on that amount at the rate set by the retirement board plus all costs of collection, including attorney fees if necessary. Recovery of such overpayments shall extend back to the date the first payment was made based on the fraudulent information.

C. Statements of fact or law made by retirement board members or employees of the retirement board or the association shall not estop the retirement board or the association from acting in accordance with the applicable statutes.

**History:** Laws 1993, ch. 239, § 1; 1997, ch. 189, § 3.

### ANNOTATIONS

**The 1997 amendment,** effective June 20, 1997, inserted "retirement" preceding "board" throughout the section; deleted "in an application or its supporting documents" following "omission" in Subsection A; and made a stylistic change in Subsection B.

**Constitutionality.** — This section is not unconstitutional; it acts merely to bar the remedy of recovery of overpayments made to retirement pension beneficiaries upon the expiration of one year from the date of each overpayment. This section is not intended to, nor does it have the effect of, releasing obligations or liabilities held or owned by or owing to the state. *State ex rel. Pub. Emps. Ret. Ass'n v. Longacre*, 2002-NMSC-033, 133 N.M. 20, 59 P.3d 500.

## 10-11-5. Credited service; municipal election to make employee contributions.

A municipal affiliated public employer may elect by resolution of its governing body or by execution of a collective bargaining agreement and in the manner prescribed by the retirement board to be responsible for making contributions of up to seventy-five percent of its employees' member contributions as follows:

A. the resolution or collective bargaining agreement shall be irrevocable; except that:

(1) if the resolution is passed or the collective bargaining agreement is executed on or before June 30, 2020, the percentage of the employee contributions that the municipal affiliated public employer elects to be responsible for making shall apply to the statutory employee contribution rate in effect on June 30, 2020 and shall not apply to any increase in the statutory employee contribution rate that may occur after that date; and

(2) if the resolution is passed or the collective bargaining agreement is executed on or after July 1, 2020, the percentage of the employee contributions that the municipal affiliated public employer elects to be responsible for making shall apply to the statutory employee contribution rate in effect on the date that the resolution is passed or the collective bargaining agreement is executed and shall not apply to any increases in the statutory employee contribution rate that may occur after that date; provided, however, that if the statutory employee contribution rate is decreased after the date that the resolution is passed or the collective bargaining agreement is executed, the percentage of the employee contributions that the municipal public affiliated employer is responsible for making shall apply to the decreased statutory employee contribution rate;

B. a municipal affiliated public employer may by subsequent resolution or collective bargaining agreement:

(1) elect to increase the percentage of employee member contributions for which it will be responsible;

(2) elect to be responsible for a percentage of any increase to the statutory employee contribution rate in effect after the passing of an earlier resolution or the execution of an earlier collective bargaining agreement; or

(3) at the time a new coverage plan is adopted, elect to be responsible under the new coverage plan for making a different percentage of employee member contributions than that which it elected under a previous coverage plan;

C. the resolution or executed collective bargaining agreement shall apply to all employees or else to specified employee divisions of the municipal affiliated public employer and shall be effective the first pay period of the month following the filing of the resolution with the retirement board;

D. the portion of the employee contributions made by the municipal affiliated public employer on behalf of a member shall be credited to the member's individual accumulated member contribution account in the member contribution fund. The member shall be responsible for the difference between the contributions the member would be required to make if the municipal affiliated public employer had not made the election provided for in this section and the amount contributed by the municipal affiliated public employer pursuant to the provisions of this section;

E. pensions payable to members whose municipal affiliated public employer makes the election provided for in this section shall be the same as if the member had made the entire member contribution; and

F. any municipal affiliated public employer increasing the percentage of the employee member contributions it elects to make pursuant to this section shall submit a resolution or executed collective bargaining agreement to the association by July 1 of the fiscal year in which the increase will take place indicating the percentage of the employee member contributions that will be made by the municipal affiliated public employer.

**History:** Laws 1987, ch. 253, § 5; 1999, ch. 92, § 1; 2013, ch. 225, § 3; 2020, ch. 11, § 2.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-5 NMSA 1978, as amended by Laws 1977, ch. 247, § 48, relating to officers, and enacted a new section, effective July 1, 1987.

**The 2020 amendment,** effective July 1, 2020, delayed the dates for determining the percentage of employee contributions for which the municipal affiliated public employer elects to be responsible; and in Subsection A, Paragraph A(1), after each occurrence of "June 30", deleted "2013" and added "2020", and in Paragraph A(2), after "July 1", deleted "2013" and added "2020".

**The 2013 amendment,** effective July 1, 2013, permitted municipal employers to elect by the execution of a collective bargaining agreement to pay a portion of its employees' member contributions; provided that municipal employers will not pay any portion of the one and one-half percent increase in employee contributions effective July 1, 2013 without passing a resolution or executing a collective bargaining agreement; provided that municipalities may by subsequent resolution or collective bargaining agreement elect to pay a portion of employee contribution increases that occur after July 1, 2013; in the introductory sentence, after "resolution of its governing body" added "or by execution of a collective bargaining agreement"; in Subsection A, in the introductory sentence, after "the resolution", added "or collective bargaining agreement" and after "irrevocable", deleted "however" and added "except that"; added Paragraphs (1) and (2) of Subsection A; in Subsection B, in the introductory sentence, after "resolution", added

"or collective bargaining agreement"; added Paragraph (2) of Subsection B; in Paragraph (3) of Subsection B, after "to be responsible", added "under the new coverage plan" and after "coverage plan for", added "making"; in Subsection C, after "the resolution", added "or executed collective bargaining agreement"; and in Subsection F, after "submit a resolution", added "or executed collective bargaining agreement".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1999 amendment,** effective July 1, 1999, inserted "up to" in the introductory language; in Subsection A inserted the language beginning "however" to the end, and added Paragraphs (1) and (2); added the Subsection B designation, and added "the resolution" at the beginning of the subsection; redesignated the subsequent subsections accordingly; added Subsection E; and made minor stylistic changes.

**Compiler's notes.** — Laws 1999, ch. 92, § 2 provided that if the public employees retirement association received a ruling from the internal revenue service that the provisions of this act jeopardize the qualified status of the public employees retirement plan, the provisions of this act shall be null and void as of the date of receipt of the ruling.

## **10-11-6. Service credit; credit for intervening military and United States government service.**

A. A member who leaves the employ of an affiliated public employer to enter a uniformed service of the United States shall be given service credit for periods of service in the uniformed services subject to the following conditions:

(1) the member is reemployed by an affiliated public employer within ninety days following termination of the period of intervening service in the uniformed service or the affiliated employer certifies in writing to the association that the member is entitled to reemployment rights under the federal Uniformed Services Employment and Reemployment Rights Act of 1994;

(2) the member retains membership in the association during the period of service in the uniformed services;

(3) free service credit shall not be given for periods of intervening service in the uniformed services following voluntary reenlistment. Service credit for such periods shall be given only after the member pays the association the sum of the contributions that the person would have been required to contribute had the person remained continuously employed throughout the period of intervening service following voluntary reenlistment, which payment shall be made during the period beginning with the date of reemployment and whose duration is three times the period of the person's intervening

service in the uniformed services following voluntary reenlistment, not to exceed five years;

(4) service credit shall not be given for periods of intervening service in the uniformed services that are used to obtain or increase a benefit from another state system or the retirement program provided under the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978];

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions; and

(6) notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code of 1986, as amended.

B. For a member who is subsequently employed by the government of the United States within thirty days of leaving the employ of an affiliated public employer:

(1) that member may continue membership in the association subject to the following conditions:

(a) the member has fifteen or more years of service credit;

(b) employment by the government of the United States commences within ninety days of termination of employment with the last affiliated public employer;

(c) the member files with the association a written application for continued membership within ninety days of termination of employment with the last affiliated public employer; and

(d) the member remits to the association, at the times and in the manner prescribed by the association, the member contributions and the employer contributions that would have been made had the member continued in the employ of the last affiliated public employer;

(2) the contributions required by Paragraph (1) of this subsection shall be based on a salary equal to the member's monthly salary at time of termination of employment with the last affiliated public employer;

(3) service credit will be determined as if the employment by the government of the United States was rendered the last affiliated public employer;

(4) the employer contributions remitted by the member shall be credited to the employer's accumulation fund and shall not be paid out of the association in the event of subsequent cessation of membership; and



(5) a member receiving service credit under this subsection who enrolls in the retiree health care authority shall make contributions pursuant to Subsection C of Section 10-7C-15 NMSA 1978.

**History:** Laws 1987, ch. 253, § 6; 1997, ch. 189, § 4; 2009, ch. 288, § 4.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-6 NMSA 1978, as amended by Laws 1970, ch. 81, § 1, relating to types of investment, and enacted a new section, effective July 1, 1987.

**Cross references.** — For the federal Uniformed Services Employment and Reemployment Rights Act, see 38 U.S.C.S. § 4301 et seq.

For Section 414(u) of the federal Internal Revenue Code, see 26 U.S.C.S. § 414(u).

**The 2009 amendment,** effective July 1, 2009, added Subsection B(5).

**The 1997 amendment,** effective June 20, 1997, in Subsection A, in the introductory language, substituted "a uniformed" for "an armed", substituted "service credit" for "credited service", and substituted "service in the uniformed services" for "active duty", substituted the language beginning "intervening serving" for "active duty" in Paragraph (1), substituted the language beginning "retains membership" for "reinstates any forfeited credited service" in Paragraph (2), rewrote Paragraphs (3) and (4), and added Paragraph (5).

**Ninety-day application period in Subsection A(1).** — Subsection A(1) must be interpreted in a manner consistent with the federal and state laws on veteran reemployment rights. If the veteran otherwise qualifies for reemployment and applies within 90 days of the termination of his active duty period, he still may acquire service credit for retirement purposes even though the employer does not actually rehire him until after the ninetieth day. 1988 Op. Att'y Gen. No. 88-24.

### **10-11-6.1. Service credit for certain injured members on approved workers' compensation leave.**

A. A member whose affiliated public employer has provided written certification to the association, in the form and manner prescribed by the association, that the employee was injured while performing a work-related function or duty in an inherently dangerous location or under inherently dangerous circumstances and that the member is absent from work and has been placed on approved workers' compensation leave as a result of the injury shall accrue service credit for the period of absence from work while on workers' compensation leave; provided that:

(1) the member is a peace officer covered pursuant to state general member coverage plan 3; a state police member; an adult correctional officer member; a municipal fire member; a municipal police member; or a municipal detention officer member;

(2) the member retains membership in the association during the period of absence from work on approved workers' compensation leave; and

(3) the member's affiliated public employer pays the injured employee's member contributions as well as the employer contributions and remits to the association the total amount of employee and employer contributions that would have been paid if the member had not been absent from work while on approved workers' compensation leave. The contribution amounts shall be calculated based upon a salary equal to the member's salary at the time of the injury.

B. The affiliated public employer shall provide an appeal process for an injured employee on approved workers' compensation leave who is determined by the affiliated public employer not to meet the criteria in Subsection A of this section.

**History:** Laws 2016, ch. 39, § 2.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2016, ch. 39 § 3 made Laws 2016, ch. 39, § 2 effective July 1, 2016.

#### **10-11-6.2. Elected official; award of service credit for shortened term of office; Local Election Act.**

A member shall be credited an award of service to the member's service credit account:

A. if, but for the shortening under the Local Election Act of a term in elected office served by the member, the member would meet the service requirement for normal retirement; and

B. in the minimum amount of service credit needed for the member to meet the requirement for normal retirement, but no more than three months.

**History:** Laws 2019, ch. 212, § 213.

#### **ANNOTATIONS**

**Emergency clauses.** — Laws 2019, ch. 212, § 286, contained an emergency clause and was approved April 3, 2019.

## **10-11-7. Service credit; purchase of service.**

A. A member who entered a uniformed service of the United States may purchase service credit for periods of active duty in the uniformed services subject to the following conditions:

(1) the member pays the association the purchase cost determined according to Subsection E of this section;

(2) the member has the applicable minimum number of years of service credit required for normal retirement. As used in this paragraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer;

(3) the aggregate amount of service credit purchased pursuant to this subsection does not exceed five years reduced by any period of service credit acquired for military service pursuant to any other provision of the Public Employees Retirement Act;

(4) service credit may not be purchased for periods of service in the uniformed services that are used to obtain or increase a benefit from another retirement program; and

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions.

B. A member who was a civilian prisoner of war captured while in service to the United States as an employee of the federal government or as an employee of a contractor with the federal government may purchase service credit for the period of internment as a civilian prisoner of war, provided that:

(1) the member provides proof of employment with the federal government or as a contractor to the federal government in a form acceptable to the association;

(2) the member provides proof of the period of internment in a form acceptable to the association;

(3) the member has the applicable minimum number of years of service credit required for normal retirement. As used in this paragraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer;

(4) the aggregate amount of service credit purchased pursuant to this subsection does not exceed five years reduced by any period of service credit acquired for military service pursuant to any other provision of the Public Employees Retirement Act;

(5) service credit may not be purchased for periods of service in internment as a civilian prisoner of war if such periods are used to obtain or increase a benefit from another retirement program; and

(6) the member pays the association the purchase cost determined according to Subsection E of this section.

C. A member who was employed by a utility company, library, museum, transit company or nonprofit organization administering federally funded public service programs, which utility company, library, museum, transit company or nonprofit organization administering federally funded public service programs or federally funded public service programs administered by a nonprofit organization are subsequently taken over by an affiliated public employer, or a member who was employed by an entity created pursuant to a joint powers agreement between two or more affiliated public employers for the purpose of administering or providing drug or alcohol addiction treatment services irrespective of whether the entity is subsequently taken over by an affiliated public employer, may purchase service credit for the period of employment subject to the following conditions:

(1) the member pays the association the purchase cost determined according to Subsection E of this section;

(2) the member has the applicable minimum number of years of service credit required for normal retirement. As used in this paragraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer; and

(3) the aggregate amount of service credit purchased pursuant to this subsection does not exceed five years.

D. A member who was appointed to participate in a cooperative work study training program established jointly by a state agency and a state post-secondary educational institution may purchase service credit for the period of participation subject to the following conditions:

(1) the member pays the association the full actuarial present value of the amount of the increase in the employee's pension as a consequence of the purchase as determined by the association;

(2) the member pays the full cost of the purchase within sixty days of the date the member is informed of the amount of the payment;

(3) the member has the applicable minimum number of years of service credit required for normal retirement. As used in this paragraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer; and

(4) the aggregate amount of service credit purchased pursuant to this subsection does not exceed five years.

E. Except for service to be used under a state legislator coverage plan, the purchase cost for each month of service credit purchased pursuant to the provisions of this section is equal to the member's final average salary multiplied by the sum of the member contribution rate and employer contribution rate, determined in accordance with the coverage plan applicable to the member at the time of the written election to purchase. The purchase cost for each year of service credit to be used under a state legislator coverage plan is equal to three times the normal member contribution per year of service credit under the state legislator coverage plan applicable to the member. Full payment shall be made in a single lump sum within sixty days of the date the member is informed of the amount of the payment. The portion of the purchase cost derived from the employer contribution rate shall be credited to the employer's accumulation fund and shall not be paid out of the association in the event of cessation of membership. In no case shall a member be credited with a month of service for less than the purchase cost as defined in this section.

F. A member shall be refunded, upon written request filed with the association, the portion of the purchase cost of service credit purchased pursuant to this section that the association determines to have been unnecessary to provide the member with the maximum pension applicable to the member. The association shall not pay interest on the portion of the purchase cost refunded to the member.

G. A member of the magistrate retirement system who during the member's service as a magistrate was eligible to become a member of the public employees retirement system and elected not to become a member of that system may purchase service credit pursuant to the public employees retirement system for the period for which the magistrate elected not to become a public employees retirement system member by paying the amount of the increase in the actuarial present value of the magistrate pension as a consequence of the purchase as determined by the association. Full payment shall be made in a single lump-sum amount in accordance with procedures established by the retirement board. Except as provided in Subsection F of this section, seventy-five percent of the purchase cost shall be considered to be employer contributions and shall not be refunded to the member in the event of cessation of membership.

H. At any time prior to retirement, any member may purchase service credit in monthly increments, subject to the following conditions:

(1) the member has the applicable minimum number of years of service credit required for normal retirement. As used in this paragraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer;

(2) the aggregate amount of service credit purchased pursuant to this subsection does not exceed one year;

(3) the member pays full actuarial present value of the amount of the increase in the employee's pension as a consequence of the purchase as determined by the association;

(4) the member pays the full cost of the purchase within sixty days of the date the member is informed of the amount of the payment; and

(5) the purchase of service credit under this subsection cannot be used to determine the final average salary or the pension factor or be used to exceed the pension maximum.

I. A member receiving service credit under this section who enrolls in the retiree health care authority shall make contributions pursuant to Subsection C of Section 10-7C-15 NMSA 1978.

**History:** Laws 1987, ch. 253, § 7; 1991, ch. 157, § 1; 1994, ch. 128, § 1; 1997, ch. 189, § 5; 1999, ch. 105, § 1; 2003, ch. 418, § 1; 2004, ch. 68, § 3; 2007, ch. 195, § 1; 2009, ch. 288, § 5; 2013, ch. 225, § 4.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-7 NMSA 1978, as amended by Laws 1980, ch. 5, § 1, relating to conditions of investments, and enacted a new section, effective July 1, 1987.

**The 2013 amendment**, effective July 1, 2013, clarified how service credit under multiple coverage plans will be calculated; increased the vesting period; in Paragraph (2) of Subsection A, in the first sentence, after "the member has", deleted "five or more" and added "the applicable minimum number of", after "service credit", deleted "acquired as a result of personal service rendered in the employ of an affiliated public employer" and added "required for normal retirement", and added the second sentence; in Paragraph (3) of Subsection B, in the first sentence, after "the member has", deleted "at least five" and added "the applicable minimum number of", after "service credit", deleted "acquired as a result of personal service rendered in the employ of an affiliated public employer" and added "required for normal retirement", and added the second sentence; in Paragraph (2) of Subsection C, in the first sentence, after "the member has", deleted "five or more" and added "the applicable minimum number of", after "service credit", deleted "acquired as a result of personal service rendered in the employ of an affiliated public employer" and added "required for normal retirement", and added the second sentence; in Paragraph (3) of Subsection D, in the first sentence, after "the member has", deleted "five or more" and added "the applicable minimum number of", after "service credit", deleted "acquired as a result of personal service rendered in the employ of an affiliated public employer" and added "required for normal retirement", and added

the second sentence; and in Paragraph (1) of Subsection H, in the first sentence, after "the member has", deleted "at least five" and added "the applicable number years of", after "service credit", deleted "acquired as a result of personal service rendered in the employ of an affiliated public employer" and added "required for normal retirement", and added the second sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2009 amendment,** effective July 1, 2009, added Subsection I.

**The 2007 amendment,** effective June 15, 2007, provided that a member appointed to a cooperative work study training program established by a state agency and a state post-secondary educational institution may purchase credit if the member pays the full actuarial present value of the increase in the member's pension as a consequence of the purchase and pays the cost within sixty days of the date the member is informed of the amount.

**The 2004 amendment,** effective March 4, 2004, amended Subsection H to delete from Paragraph (2) "reduced by any period of service credit acquired for service pursuant to any other provision of the Public Employees Retirement Act" and to add "be used to exceed" before "the pension maximum".

**The 2003 amendment,** effective June 20, 2003, in Subsection E, substituted "three times the normal member contribution" for "the sum of the member contribution and an employer contribution of ten times the annual amount of pension" following "is equal to", substituted "employer's" for "employer" following "credited to the"; inserted "retirement" following "established by the" in Subsection G; added Subsection H.

**The 1999 amendment,** effective June 18, 1999, added Subsection B, redesignated the subsequent subsections accordingly, and updated statutory references.

**The 1997 amendment,** effective June 20, 1997, substituted "service credit" for "credited service" throughout the section; in Subsection A, in the introductory language, substituted "a uniformed" for "an armed" and inserted "in the uniformed services", substituted "service in the uniformed services" for "active duty" in Paragraph (4), and added Paragraph (5) and made related stylistic changes; and deleted "upon the effective date of this subsection" following "may" in Subsection F.

**The 1994 amendment,** effective May 18, 1994, added Subsection F.

**The 1991 amendment,** effective June 14, 1991, in the introductory paragraph in Subsection B, inserted "public" following "federally funded" in two places and "or a member who was employed by an entity created pursuant to a joint powers agreement between two or more affiliated public employers for the purpose of administering or

providing drug or alcohol addiction treatment services irrespective of whether the entity is subsequently taken over by an affiliated public employer"; in the first sentence in Subsection D, substituted "month of credited service" for "year of credited service" and "of the written election to purchase" for "payment is made" at the end; substituted "Full payment shall be made in a single lump sum" for "Payment shall be made" at the beginning of the third sentence in Subsection D; added the final sentence in Subsection D; substituted "refunded" for "paid" near the beginning of Subsection E; and made minor stylistic changes throughout the section.

**Cooperative work study training program.** — A member may not obtain free service credit under the Public Employees' Retirement Act for the period of time he was in "school phases" of a cooperative work study training program. 1989 Op. Att'y Gen. No. 89-05.

### **10-11-8. Normal retirement; return to employment; benefits continued; contributions.**

A. A member may retire upon fulfilling the following requirements prior to the selected date of retirement:

- (1) a written application for normal retirement, in the form prescribed by the association, is filed with the association;
- (2) employment is terminated with all employers covered by any state system or the educational retirement system;
- (3) the member selects an effective date of retirement that is the first day of a calendar month; and
- (4) the member meets the age and service credit requirement for normal retirement specified in the coverage plan applicable to the member.

B. The amount of normal retirement pension is determined in accordance with the coverage plan applicable to the member.

C. Except as provided in Subsection D of this section, on or after July 1, 2010, a retired member may be subsequently employed by an affiliated public employer only pursuant to the following provisions:

- (1) the retired member has not been employed as an employee of an affiliated public employer or retained as an independent contractor by the affiliated public employer from which the retired member retired for at least twelve consecutive months from the date of retirement to the commencement of subsequent employment or reemployment with an affiliated public employer;



(2) the retired member's pension shall be suspended upon commencement of the subsequent employment;

(3) except as provided in Subsection F of this section, the retired member shall not become a member and shall not accrue service credit, and the retired member and that person's subsequent affiliated public employer shall not make contributions under any coverage plan pursuant to the Public Employees Retirement Act; and

(4) upon termination of the subsequent employment, the retired member's pension shall resume in accordance with the provisions of Subsection A of this section.

D. The provisions of Subsections C, G and H of this section do not apply to:

(1) a retired member employed by the legislature for legislative session work;

(2) a retired member employed temporarily as a precinct board member for a municipal election or an election covered by the Election Code [Chapter 1 NMSA 1978];  
or

(3) a retired member who is elected to serve a term as an elected official in an office covered pursuant to the Public Employees Retirement Act; provided that:

(a) the retired member files an irrevocable exemption from membership with the association within thirty days of taking office; and

(b) the irrevocable exemption shall be for the elected official's term of office.

E. A retired member who returns to employment during retirement pursuant to Subsection D of this section is entitled to receive retirement benefits but is not entitled to accrue service credit or to acquire or purchase service credit in the future for the period of the retired member's subsequent employment with an affiliated public employer.

F. At any time during a retired member's subsequent employment pursuant to Subsection C of this section, the retired member may elect to become a member and the following conditions shall apply:

(1) the previously retired member and the subsequent affiliated public employer shall make the required employee and employer contributions, and the previously retired member shall accrue service credit for the period of subsequent employment; and

(2) when the previously retired member terminates the subsequent employment with an affiliated public employer, the previously retired member shall retire according to the provisions of the Public Employees Retirement Act, subject to the following conditions:

(a) payment of the pension shall resume in accordance with the provisions of Subsection A of this section;

(b) unless the previously retired member accrued at least three years of service credit on account of the subsequent employment, the recalculation of pension shall: 1) employ the form of payment selected by the previously retired member at the time of the first retirement; and 2) use the provisions of the coverage plan applicable to the member on the date of the first retirement; and

(c) the recalculated pension shall not be less than the amount of the suspended pension.

G. A retired member who returned to work with an affiliated public employer prior to July 1, 2010 shall be subject to the provisions of this section in effect on the date the retired member returned to work; provided that on and after July 1, 2010, the retired member shall pay the employee contribution in an amount specified in the Public Employees Retirement Act for the position in which the retired member is subsequently employed.

H. Effective July 1, 2014, if a retired member who, subsequent to retirement, is employed and covered pursuant to the provisions of the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978] or Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978], during the period of subsequent employment:

(1) the member shall be entitled to receive retirement benefits;

(2) the retired member's cost-of-living pension adjustment shall be suspended upon commencement of the employment; and

(3) upon termination of the employment, the retired member's suspended cost-of-living pension adjustment shall be reinstated as provided under Section 10-11-118 NMSA 1978.

I. The pension of a member who has earned service credit under more than one coverage plan shall be determined as follows:

(1) the pension of a member who has three or more years of service credit earned on or before June 30, 2013 under each of two or more coverage plans shall be determined in accordance with the coverage plan that produces the highest pension;

(2) the pension of a member who has service credit earned on or before June 30, 2013 under two or more coverage plans but who has three or more years of service credit under only one of those coverage plans shall be determined in accordance with the coverage plan in which the member has three or more years of service credit. If the service credit is acquired under two different coverage plans applied to the same affiliated public employer as a consequence of an election by the members, adoption by

the affiliated public employer or a change in the law that results in the application of a coverage plan with a greater pension, the greater pension shall be paid a member retiring from the affiliated public employer under which the change in coverage plan took place regardless of the amount of service credit under the coverage plan producing the greater pension; provided that the member has three or more years of continuous employment with that affiliated public employer immediately preceding or immediately preceding and immediately following the date the coverage plan changed;

(3) the pension of a member who has service credit earned on or before June 30, 2013 under each of two or more coverage plans and who has service credit earned under any coverage plan on or after July 1, 2013 shall be equal to the sum of:

(a) the pension attributable to the service credit earned on or before June 30, 2013 determined pursuant to Paragraph (1) or (2) of this subsection; and

(b) the pension attributable to the service credit earned under each coverage plan on or after July 1, 2013;

(4) the pension of a member who has service credit earned only on and after July 1, 2013 shall be equal to the sum of the pension attributable to the service credit the member has accrued under each coverage plan; and

(5) the provisions of each coverage plan for the purpose of this subsection shall be those in effect at the time the member ceased to be covered by the coverage plan. "Service credit", for the purposes of this subsection, shall be only personal service rendered an affiliated public employer and credited to the member under the provisions of Subsection A of Section 10-11-4 NMSA 1978. Service credited under any other provision of the Public Employees Retirement Act shall not be used to satisfy the three-year service credit requirement of this subsection.

**History:** Laws 1987, ch. 253, § 8; 1989, ch. 79, § 1; 1992, ch. 116, § 4; 1995, ch. 114, § 2; 2003, ch. 85, § 3; 2004, ch. 2, § 1; 2004, ch. 68, § 4; 2009, ch. 285, § 1; 2010, ch. 18, § 1; 2012, ch. 26, § 2; 2013, ch. 225, § 5; 2014, ch. 35, § 1; 2014, ch. 39, § 1; 2014, ch. 43, § 1; 2020, ch. 11, § 3.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-8 NMSA 1978, as amended by Laws 1978, ch. 167, § 2 relating to affiliated public employers, and enacted a new 10-11-8 NMSA 1978.

**Repeals.** — Laws 2009, ch. 285, § 2 repealed Laws 2004, ch. 2, § 1, effective July 1, 2009.

**The 2020 amendment,** effective July 1, 2020, removed provisions regarding the suspension of cost-of-living adjustments for certain retirees who return to work for

certain public employers; deleted former Subsection D and redesignated the succeeding subsections accordingly; in Subsection D, in the introductory clause, after "C", added "G and", and after "H", deleted "and I"; in Subsection G, deleted paragraph designation "(1)" and Paragraphs (2) and (3); and in Subsection H, Paragraph H(3), after "provided under", deleted "Subsection B of".

**2014 Amendments.** — Laws 2014, ch. 35, § 1, Laws 2014, ch. 39, § 1 and Laws 2014, ch. 43, § 1, all effective July 1, 2014, provided for the suspension of the cost-of-living adjustment for retired members who return to work; in Subsection C, Paragraph (1), after "commencement of", added "subsequent"; in Subsection C, Paragraph (2), at the beginning of the sentence, after "the", deleted "previously", and after "commencement of the", added "subsequent"; in Subsection C, Paragraph (3), after "this section, the", deleted "previously", after "become a member and", deleted "thus the previously retired member", after "service credit, and the", deleted "previously", and after "that person's", added "subsequent"; in Subsection C, Paragraph (4), after "employment, the", deleted "previously"; in Subsection D, in the introductory paragraph, after "Educational Retirement Act", added the remainder of the sentence; in Subsection E, in the introductory sentence, after "Subsection C", deleted "and", and after "Subsections C, H", added "and I"; in Subsection E, Paragraph (3), after "an elected official", added "in an office covered pursuant to the Public Employees Retirement Act"; in Subsection F, after "the period of the", deleted "previously", and after "retired member's", deleted "reemployment" and added "subsequent employment"; in Subsection G, in the introductory paragraph, after "during a", deleted "previously" and after "section, the" deleted "previously"; in Subsection H, in the introductory paragraph, after "A", deleted "previously", and after "effective on the date the", deleted "previously"; in Subsection H, Paragraph (1), after "July 1, 2010, the", deleted "previously", after "position in which the", deleted "previously", and after "retired member is", added "subsequently"; in Subsection H, Paragraph (2), after "July 1, 2013, the", deleted "previously"; in Subsection H, Paragraph (3), after "termination of the", added "subsequent", and after "public employer, the", deleted "previously"; and added Subsection I.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2013 amendment,** effective July 1, 2013, suspended the cost of living adjustment for certain return-to-work retirees; provided the method to calculate the pension of members who earned service credit under more than one coverage plan; in the title, after "continued", deleted "employer"; in Paragraph (2) of Subsection C, at the beginning of the sentence, after "the" added "previously"; added Subsection D; in Subsection E, in the introductory sentence, after "The provisions of", changed "Subsection C" to "Subsections C and H"; added Paragraphs (2) and (3) of Subsection H; in Subsection I, added the introductory sentence, in Paragraph (1) of Subsection I, after "service credit", added "earned on or before June 30, 2013"; in Paragraph (2) of Subsection I, in the first sentence, after "service credit", added "earned on or before June 30, 2013"; and added Paragraphs (3) and (4) of Subsection I.

**The 2012 amendment**, effective March 3, 2012, allowed retired members to be employed as precinct board members without suspending their pension benefits, and in Subsection D, added a new Paragraph (2) and relettered the succeeding paragraph.

**The 2010 amendment**, effective July 1, 2010, in Subsection C, in the introductory sentence, after "Subsection D", deleted "or E"; after "of this section", added "on or after July 1, 2010"; and after "employed by an affiliated public employer", deleted "if the following conditions apply" and added "only pursuant to the following provisions"; in Subsection C(1), after "(1) the", added "retired"; after "as an employee of an affiliated public employer", added "or retained as an independent contractor by the affiliated public employer from which the retired member retired"; after "for at least", changed "ninety consecutive days from the date of retirement" to "twelve consecutive months from the date of retirement"; and after "reemployment with an affiliated public employer," deleted "If the retired member returns to employment without first completing ninety consecutive days of retirement"; in Subsection C(2), after "pension shall be suspended", deleted "immediately and" and added "upon commencement of the employment"; in Subsection C(3), at the beginning of the sentence, added "except as provided in Subsection F of this section,"; after "retired member shall", added "not"; and after "not become a member", added the remainder of the sentence; in Subsection C(4), after "retired member's pension shall", deleted "be calculated pursuant to Paragraph (2) of Subsection E" and added "resume in accordance with the provisions of Subsection A"; deleted former Paragraphs (2), (3) and (4) of Subsection C, which provided that a retired member was required to make contributions when the retired member's total earnings exceeded \$25,000 during a calendar year, that an affiliated public employer that employed a retired member was required to make contributions, and that a retired member was not entitled to acquire service credits; deleted former Subsection D, which provided that former Subsection C(4) applied to a retired member who is appointed chief of police of an affiliated public employer or is appointed undersheriff; in Subsection D, added the introductory sentence; added Subsection E; in Subsection F, in the introductory sentence, after "Subsection C of this section, the", added "previously", and after "member may elect to", deleted "suspend the pension. When the pension is suspended" and added "become a member and"; in Subsection F(1), after "(1) the", deleted "retired member who is subsequently employed by an affiliated public employer shall become a member. The"; and added Subsection G.

**The 2009 amendment**, effective July 1, 2009, in Subsection D, deleted the former language which referred to Paragraphs (2) and (3) of Subsection C and added new language; and added Paragraph (3) of Subsection D.

**The 2004 amendment**, effective March 4, 2004, amended Subsection A to add "prior to the selected date of retirement" at the beginning of the subsection, to delete the same language from Paragraphs (1) and (2), amended Subsection C to insert at the beginning of the subsection "Except as provided in Subsection D or E of this section", added Subparagraphs (a) and (b) of Paragraph (1) to provide for contributions by a retired member who earns more than \$25,000 in a calendar year in Paragraph (2), added new Subsections D and E and redesignated former Subsection D as Subsection F.

**The 2003 amendment**, effective July 1, 2003, deleted former Subsections C, D, E and F, concerning return to employment, inserted present Subsection C and redesignated former Subsection G as present Subsection D.

**The 1995 amendment**, effective June 16, 1995, in Subsection C, deleted "or the educational retirement system" following "public employer" in the first sentence, inserted "the following conditions shall apply" in the second sentence, designated Paragraph (1), deleted former Paragraph (1), regarding previously retired members subsequently employed by an employer covered under the Educational Retirement Act, and substituted "Public Employees Retirement Act" for "retirement act covering the subsequent employer" in Paragraph (2); deleted "on or before July 1, 1992" at the end of the sentence in Subsection E; and substituted "provision" for "subsection" in the last sentence of Subsection G.

**The 1992 amendment**, effective July 1, 1992, deleted "or vested former member" following "member" and substituted "service credit" for "credited service" several times throughout the section; substituted "employers covered by any state system or the educational retirement system" for "affiliated public employers" in Subsection A(2); rewrote Subsection C; added Subsection E; redesignated former Subsections E and F as Subsections F and G; in Subsection G, deleted "from among the two or more coverage plans" following "planned" in the first sentence and rewrote the former second sentence so as to constitute the present second and third sentences; and made minor stylistic changes throughout the section.

**Applicability of elected official exception.** — The former wording of the elected official exception clearly indicates that the legislature intended for there to be a difference between a person who "became" an elected official, and a person who was serving a successive term. Therefore, the only conclusion is that a person who begins a successive term has not become an elected official. The elected official exception, on its face, applies only to those who became an elected official after they were already an annuitant. *Rainaldi v. Public Emps. Ret. Bd.*, 1993-NMSC-028, 115 N.M. 650, 857 P.2d 761 (decided under former 10-11-9E NMSA 1978).

**Purpose of elected official exception.** — The elected official exception serves the limited purpose of encouraging people who have accumulated expertise and wisdom in their years of service to run for elected office after retiring from their former positions. The legislature could not have intended to encourage those who have already been serving to simultaneously collect a salary and retirement benefits earned in that position. *Rainaldi v. Public Emps. Ret. Bd.*, 1993-NMSC-028, 115 N.M. 650, 857 P.2d 761.

**Applicability of chief of police exemption after 2010 amendment.** — Where the city appointed plaintiff as chief of police in September 2006 without specifying the end date of plaintiff's term of office; at the time of the appointment, plaintiff was a PERA retiree and 10-11-8(D) NMSA 1978 contained a chief of police exemption that permitted plaintiff to receive both a pension and a salary; in 2010, 10-11-8 NMSA 1978 was

amended to remove the exemption and require that the pension of a PERA retiree appointed as chief of police after July 1, 2010 be suspended; defendant sought to suspend plaintiff's pension after the city's March 2012 election; and plaintiff claimed that because plaintiff's appointment was for an indefinite term, the exemption remained in effect until plaintiff's term of office terminated, plaintiff's term of office commenced following the March 2010 municipal election and ended when the city held its organizational meeting following the March 2012 election, because municipal appointees serve definitive terms of two years subject to reappointment at the municipality's organizational meeting following each biennial municipal election. *City of Artesia v. PERA of N.M.*, 2014-NMCA-009, cert. denied, 2013-NMCERT-011.

**Effect of 1987 recodification.** — The 1987 recodification of the public employees retirement act does not permit a normal or disability retirement pension to be made retroactive. 1988 Op. Att'y Gen. No. 88-15.

**Written application for retirement.** — The public employees retirement board may not excuse the statutory requirement that a member file a written application for retirement, even where a member alleges that he made verbal requests of the public employees retirement association for an application form but did not receive the form promptly, since strict compliance with the statutory requirements for receiving retirement benefits is required. 1988 Op. Att'y Gen. No. 88-33.

**Death not treated as retirement.** — An employee who dies during employment does not retire, and thus an employee's affidavit directing that his death be treated as his retirement is ineffectual. 1989 Op. Att'y Gen. No. 89-06.

**The general rule under Subsection F** (now Subsection D) is that a retiring member who has coverage under two different coverage plans will receive benefits calculated under the provisions of the better coverage plan if the member has three years of credited service under the better coverage plan. If not, the member will receive benefits calculated under the provisions of the lesser coverage plan. 1987 Op. Att'y Gen. No. 87-66.

**The only exception to the general rule under Subsection F** (now see Subsection D) is where the retiring member acquires credited service under two coverage plans "applied to the same affiliated public employer . . ." This exception must be strictly construed, because it departs from the general rule, financially impacts the association as imminent retirees make little contribution toward the greater benefits, and envisions potential manipulation and abuse as demonstrated by the association's experience with the "loopholers" or "job jumpers". 1987 Op. Att'y Gen. No. 87-66.

The object to the phrase "same affiliated public employer" in Subsection F (now Subsection D) is to prevent "job jumping" from a public employer covered under a lower benefit formula to a public employer covered under a higher benefit formula to retire at the higher formula from the second entity after working, if at all, for a brief period of time. 1987 Op. Att'y Gen. No. 87-66.

**Reappointment after suspension of benefits.** — County treasurer could not retire in June, 1988, and resume office as county treasurer without suspension of public employee retirement benefits, if the county commission reappointed him as county treasurer to serve the remainder of his unexpired term, ending December 31, 1988. 1987 Op. Att'y Gen. No. 87-80.

**Suspension of benefits upon resumption of employment.** — An employee of the department of finance and administration, retired pursuant to the provisions of Public Employee's Retirement Act, may not resume employment with the department of education without suspension of retirement benefits. 1987 Op. Att'y Gen. No. 87-37 (decided under former 10-11-22 NMSA 1978).

An employee of a public school system, retired pursuant to the provisions of the Educational Retirement Act, may not resume employment with the department of education without suspension of educational retirement benefits. 1987 Op. Att'y Gen. No. 87-38 (decided under former Section 10-11-8 NMSA 1978).

**The suspension provisions of the disbursing system** apply to the benefits granted pursuant to the reciprocity act to a member retired under the public employee retirement association and the educational retirement system who resumes employment. 1988 Op. Att'y Gen. No. 88-22.

**Public Employee Retirement Act annuitants whom the department of education subsequently employs** and who elect to participate in the educational retirement system by making contributions to that system do not "qualify for (retirement) coverage" under 22-11-17D NMSA 1978, since they are not considered as having acquired any service credit for purposes of educational retirement benefits. 1987 Op. Att'y Gen. No. 87-37 (decided under former Section 10-11-22 NMSA 1978).

**Exception to 3-year credited service requirement.** — Because a leave of absence without pay can be distinguished from a termination of employment, is not a complete separation of employment, and denotes continuity of employment status, members who take a bona fide leave of absence without pay are eligible for Subsection F's (now see Subsection D) exception to the three-year credited service requirement for coverage under state general member coverage plan 2. 1988 Op. Att'y Gen. No. 88-19.

**Reemployment as seasonal employees of legislature.** — Retirees of the Public Employees Retirement Association who are reemployed as seasonal employees by the state legislature are subject to benefit suspension when they exceed the maximum earnings permitted by former Subsection C. 1989 Op. Att'y Gen. No. 89-15.

**10-11-9. Repealed.**

## ANNOTATIONS



**Repeals.** — Laws 1993, ch. 160, § 9 repealed 10-11-9 NMSA 1978, as enacted by Laws 1987, ch. 253, § 9, concerning vested termination of membership, effective June 18, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

### **10-11-9.1, 10-11-9.2. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1987, ch. 253, § 140, repealed 10-11-9.1 NMSA 1978, as enacted by Laws 1979, ch. 316, § 2, relating to exemption of participants covered under Comprehensive Employment and Training Act, and 10-11-9.2 NMSA 1978, as enacted by Laws 1986, ch. 85, § 1, relating to exemption permitted for undersheriffs, effective July 1, 1987.

### **10-11-10. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 160, § 9 repealed 10-11-10 NMSA 1978, as enacted by Laws 1987, ch. 253, § 10, concerning disability retirement, effective June 18, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*. For present comparable provisions, see 10-11-10.1 NMSA 1978.

### **10-11-10.1. Disability retirement.**

A. There is created a "disability review committee" of the retirement board. The disability review committee shall consist of at least three but not more than five retirement board members and at least one physician licensed in New Mexico appointed by the retirement board. The disability review committee shall review all applications for disability retirement, review reports required under this section and approve or deny applications for disability retirement.

B. The disability review committee may retire a member on account of disability before the time the member would otherwise be eligible for retirement if the following requirements are satisfied:

(1) the member applying for disability retirement was a member at the time the disability was incurred;

(2) a written application for disability retirement, in the form and containing the information prescribed by the association, has been filed with the association by the member or by the member's affiliated public employer;

(3) employment is terminated within forty-five days of the date of approval of the application for disability retirement;

(4) if:

(a) the member has the applicable minimum number of years of service credit required for normal retirement. For the purposes of this subparagraph, "service credit" means only the service credit earned by the member during periods of employment with an affiliated public employer; or

(b) the disability review committee finds the disability to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer;

(5) the member submits to all medical examinations and tests and furnishes copies of all medical reports requested by the association or disability review committee; provided that if the disability review committee requires independent medical or other examinations, those examinations shall be performed at the association's expense; and

(6) the disability review committee makes the determination required under Subsection C of this section.

C. The disability review committee shall review applications for disability retirement to determine whether:

(1) if the member is a currently employed, contributing employee of an affiliated public employer:

(a) the member is mentally or physically totally incapacitated for continued employment with an affiliated public employer; and

(b) the incapacity is likely to be permanent; or

(2) if the member is not a currently employed, contributing employee of an affiliated public employer:

(a) the member is mentally or physically totally incapacitated for any gainful employment; and

(b) the incapacity is likely to be permanent.

D. The disability retirement pension shall be paid for a period of one year after approval of the initial application unless the disability review committee for good cause shown grants disability retirement for a longer period of time. After approval, payment shall be effective commencing the first of the month following submission of the initial application and termination of employment.

E. At the end of the first year that a disability retirement pension is paid, the disability retired member's condition shall be reevaluated to determine eligibility for continuation of payment of a disability retirement pension. If the disability retired member has applied for disability benefits under the federal social security program, the member shall submit copies of the member's application. The association shall continue payment of the state disability retirement pension if the disability retired member presents a written final determination from the federal social security administration that the disability retired member qualifies, based on the same conditions as presented in the application for a state disability retirement pension, for federal disability benefits.

F. If the disability retired member applied for federal disability benefits within thirty days of receiving approval for a state disability retirement pension but the federal social security administration has not made a written final determination of entitlement by the end of the first year that the disability retired member has received a state disability retirement pension, eligibility for continued payment of the state disability retirement pension shall be determined by the disability review committee. The state disability retirement pension shall be discontinued if the disability review committee finds that the disability retired member is capable of any gainful employment.

G. The disability retired member shall notify the association of the federal social security administration's final determination within fifteen working days of the date of issuance of the final written determination. If the federal social security administration denies federal disability benefits, the state disability retirement pension shall be discontinued effective the first of the month following the month in which the written final determination of the federal social security administration was issued. If the federal social security administration grants federal disability benefits, the state disability retirement pension shall be continued so long as the disability retired member provides annually, on or before the anniversary date of commencement of payment of the state disability retirement pension, written evidence of continuation of payment of federal disability benefits. If the disability review committee has denied continuation of payment of a state disability retirement pension and the disability retired member is later granted federal disability benefits, the state disability retirement pension shall be reinstated effective the first of the month following the month in which the state disability retirement pension was discontinued.

H. If, at the time of reevaluation under Subsection E of this section, the disability retired member has applied for and has qualified for federal disability benefits, but for a different condition than was reviewed by the disability review committee, the disability review committee shall review the disability retired member's condition as described by the application for federal disability benefits. The process set forth in Subsection I of this section shall be followed to determine whether payment of a state disability retirement pension should be continued.

I. If the disability retired member is not eligible to apply for federal disability benefits or is not a member of the federal social security program, the disability review committee annually shall determine eligibility for continuation of payment of a state

disability retirement pension. To make its determination of continued entitlement, the disability review committee shall use the guidelines established by the federal social security administration for determination of eligibility for federal disability benefits. The determination shall be based on:

- (1) the medical and all other information provided by the disability retired member;
- (2) at least one independent medical or other examination performed at the association's expense if required by the disability review committee; and
- (3) any medical, vocational or other information related to the disability compiled during the period of disability by any medical or other practitioner consulted by the disability retired member regarding the disability which was not paid for by the association.

J. Each disability retired member annually shall submit to the association, prior to July 1, a statement of earnings from gainful employment during the preceding calendar year. The statement of earnings shall be in the form prescribed by the association. Payment of the state disability retirement pension shall be discontinued if the amount of earnings from gainful employment is one hundred percent or more of the amount that causes a decrease or suspension of an old age benefit under the federal social security program, or fifteen thousand dollars (\$15,000), whichever is less. Payment of the state disability retirement pension shall be discontinued starting with the month of July if the statement of earnings is not received by the association prior to July 1.

K. Upon prior approval by the association, a disability retired member may return to employment with an affiliated public employer or other employer for a trial period not to exceed one hundred twenty calendar days without becoming a member or causing suspension or discontinuation of payment of a state disability retirement pension. If the trial period of employment is successfully completed, payment of the disability retirement pension shall be discontinued beginning the first of the month following the one hundred twentieth day of the trial period of employment. Trial periods of employment shall be limited to two in any five-year period following disability retirement.

L. If the disability retired member meets the minimum age and service credit requirements for normal retirement while receiving a disability retirement pension, the disability retirement pension shall be reclassified by the association as a normal retirement pension and no further determinations of eligibility for continuation of payment of the disability retirement pension shall be made. Upon reclassification as a normal retirement pension, all the provisions of the Public Employees Retirement Act regarding normal retirement shall be applicable.

M. If the disability review committee found the disability to be the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's employment with an affiliated public employer, service credit shall continue to

accrue during the disability retirement period as though the disability retired member was actively employed.

N. The amount of a disability retirement pension shall be calculated according to the provisions of the coverage plan applicable to the member at the time of application, except that the service credit requirement shall be waived and the actual amount of service credit shall be used instead. If the disability is the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty for an affiliated public employer, the amount of disability retirement pension shall be calculated according to the provisions of the coverage plan applicable to the member, imputing the amount of service credit necessary to meet the minimum service credit requirements for normal retirement.

O. For the purposes of this section, the following definitions apply:

(1) "continued employment with the affiliated public employer" means the ability of the member to fulfill the required duties of the position in which the member was last employed by an affiliated public employer;

(2) "gainful employment" means remunerative employment or self-employment that is commensurate with the applicant's background, age, education, experience and any new skills or training the applicant may have acquired after terminating public employment or incurring the disability;

(3) "state disability retirement pension" means the pension paid pursuant to the provisions of this section; and

(4) "federal disability benefits" means those benefits paid by the federal social security program.

**History:** Laws 1993, ch. 160, § 3; 2013, ch. 225, § 6.

### ANNOTATIONS

**The 2013 amendment**, effective July 1, 2013, clarified how service credit will be calculated for disabled members; increased the vesting period; in Subparagraph (a) of Paragraph (4) of Subsection B, in the first sentence, after "the member has", deleted "five or more" and added "the applicable minimum number of", and after "service credit", added "required for normal retirement", and added the second sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**Retirement due to disability.** — The requirement that an employee have one and one-half years earned service credit to qualify for payment under coverage plan 3

supplements the service credit requirements for normal requirement and does not apply to employees who apply for early retirement due to a disability. *Garcia-Montoya v. Pub. Emps. Ret. Bd.*, 2006-NMCA-094, 140 N.M. 175, 140 P.3d 1124.

**The operative date for determining an applicant's membership status** for purposes of disability retirement benefits is the date disability was incurred. *Gonzales v. N.M. Pub. Emps. Ret. Ass'n*, 2009-NMCA-109, 147 N.M. 201, 218 P.3d 1249.

**Membership status is determined as of the date disability was incurred.** — Where petitioners were currently employed, contributing members at the time their disabilities were incurred, and petitioners were currently employed but not contributing members at the time they applied for disability retirement benefits, the operative date for determining petitioners' status for purposes of disability retirement benefits was the date disability was incurred and petitioners were required to demonstrate total physical and mental incapacity for continued employment with an affiliated public employer, but not total physical and mental incapacity for any gainful employment. *Gonzales v. N.M. Pub. Emps. Ret. Ass'n*, 2009-NMCA-109, 147 N.M. 201, 218 P.3d 1249.

**Public employee retirement board's decision denying duty-related benefits arbitrary and capricious.** — In an appeal from the denial of disability retirement benefits where the parties did not dispute that petitioner was disabled and that her disability was solely and exclusively a result of her work, and where the hearing officer recommended finding that a preponderance of evidence supported a finding that no pre-existing condition was a significant contributing factor material to petitioner's disability, the public employee retirement board's (board) contrary finding that a pre-existing condition had not been resolved and decision denying duty-related disability benefits was arbitrary and capricious, because the board violated its own regulation by failing to review the record before the hearing officer prior to modifying a proposed finding of fact, failed to provide a reasoned basis for its new findings of fact, and failed to consider contrary evidence, and the board's new findings had no rational basis in light of the whole record. *Vigil v. Public Emp. Ret. Bd.*, 2015-NMCA-079, cert. denied, 2015-NMCCERT-008.

**Meaning of "gainful employment" in regard to geographic area.** — In order to be entitled to disability retirement benefits, an employee must establish that no "gainful employment" is attainable within the State of New Mexico, unless the employee presents substantial evidence that the application of this statewide standard to the employee is unreasonable. *Talamante v. N.M. Pub. Emps. Ret. Bd.*, 2006-NMCA-032, 139 N.M. 226, 131 P.3d 76.

**"Commensurate" employment.** — The board failed to comply with the requirements of this section in evaluating claimant's application for disability benefits, because it failed to factually determine whether the work he was able to perform was substantially "commensurate", in terms of remuneration with the work he was performing at the time of his disability or would have been capable of performing, absent the disability.

*Johnson v. Pub. Emps. Ret. Bd.*, 1998-NMCA-174, 126 N.M. 282, 968 P.2d 793, cert. denied, 126 N.M. 532, 972 P.3d 351.

**Return for "trial period".** — A disability annuitant retired under the provisions of the Public Employees Retirement Act in effect before July 1, 1987, could return to employment for a "trial period" pursuant to Subsection D of former Section 10-11-11 NMSA 1978 (*see now* Subsection K). 1988 Op. Att'y Gen. No. 88-44.

**Suspension of benefits when member capable of resuming gainful employment.** — To construe Subsection C of former 10-11-11 NMSA 1978 (*see now* Subsection F) as requiring the retirement board to continue disability benefits to a member who is capable of engaging in gainful employment is wholly foreign to the statutory scheme governing disability benefits, would be a radical departure from former law, is inconsistent, and would amount to reading into the statute significant obligations against the association's funds that the legislature has not contemplated. 1990 Op. Att'y Gen. No. 90-09.

Rule adopted by the retirement board, providing for suspension of disability benefits if a member is capable of resuming gainful employment, was consistent with the statutory scheme governing the grant and continuation of disability benefits and was a reasonable implementation of Subsection C of former 10-11-11 NMSA 1978 (*see now* Subsection F). 1990 Op. Att'y Gen. No. 90-09.

**Legislative intent, as to contributing service.** — The five years of contributing service for each employee was placed in former 10-11-10 NMSA 1978 by the legislature, with the intent that it be a safeguard to protect the association and the board from retiring employees for nonduty disability when they enter the service of the state or any of its agencies, and who were already disabled and could work for the state or its agencies for a few weeks or months and then claim nonduty disability. 1956 Op. Att'y Gen. No. 56-6449.

**Retroactive award prohibited.** — The Public Employees Retirement Association may not award disability benefits retroactive to the date on which the member's name last appeared on the payroll with pay. 1989 Op. Att'y Gen. No. 89-18.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Requiring submission to physical examination or test as violation of constitutional rights, 164 A.L.R. 967, 25 A.L.R.2d 1407.

Firemen: causal connection between fireman's performance of official duties and his disability, for purpose of recovering disability benefits, 27 A.L.R.2d 974.

Relationship between performance of official duties and subsequent disability or death, for purpose of pension or survivorship benefits of government employee other than fireman, policeman, or military personnel, 85 A.L.R.2d 1048.

Determination whether firefighter's disability is service-connected for disability pension purposes, 7 A.L.R.4th 799.

Determination whether peace officer's disability is service-connected for disability pension purposes, 12 A.L.R.4th 1158.

67 C.J.S. Officers and Public Employees § 248; 81A C.J.S. States §§ 46, 105, 112 to 119.

## **10-11-11. Repealed.**

### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 160, § 9 repealed 10-11-11 NMSA 1978, as enacted by Laws 1987, ch. 253, § 11, concerning reevaluation of disability retired members and termination of disability pension, effective June 18, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

## **10-11-12. Status of disability retired member upon termination of disability retirement.**

A. The membership status of a disability retired member following termination of the disability retirement pension shall be governed by the membership provisions of the Public Employees Retirement Act. Upon reacquisition of membership, the credited service of the member at time of disability retirement shall be restored. Credited service shall not be granted for the period of disability retirement unless the retirement board has found the disability to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the disability retired member's performance of duty with an affiliated public employer. In no case shall credited service be granted for disability retirement time incurred after the date the disability retired member meets an age and service requirement for normal retirement or after the date the disability retired member attains age sixty-five years.

B. A terminated disability retired member who does not reacquire membership shall have actual credited service at time of disability retirement restored and shall become a vested former member. The former disability retired member may retire upon meeting the requirements for normal retirement specified by the applicable coverage plan, except the service requirement for normal retirement at age sixty-five years or older shall be waived.

**History:** Laws 1987, ch. 253, § 12.

### **ANNOTATIONS**



**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-12 NMSA 1978, as enacted by Laws 1973, ch. 328, § 1, relating to purpose, and enacted a new section, effective July 1, 1987.

### **10-11-13, 10-11-14. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 160, § 9 repealed 10-11-13 and 10-11-14 NMSA 1978, as amended by Laws 1992, ch. 116, §§ 5 and 6, concerning survivor pensions, effective June 18, 1993. For provisions of former sections, see the 1992 NMSA 1978 on *NMOneSource.com*. For present comparable provisions, see 10-11-14.5 NMSA 1978.

### **10-11-14.1 to 10-11-14.4. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1987, ch. 253, § 140, repealed 10-11-14.1 to 10-11-14.4 NMSA 1978, as enacted by Laws 1987, ch. 89, §§ 1 to 4, relating to findings and purpose, definitions, purchase of service credit, and limitation of superannuation annuity, effective July 1, 1987.

### **10-11-14.5. Death before retirement; survivor pensions.**

A. A survivor pension may be paid to certain persons related to or designated by a member who dies before normal or disability retirement if a written application for the pension, in the form prescribed by the association, is filed with the association by the potential survivor beneficiary or beneficiaries within one year of the death of the member. Applications may be filed on behalf of the potential survivor beneficiary or beneficiaries or by a person legally authorized to represent them.

B. If there is no designated survivor beneficiary and the retirement board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer, a survivor pension shall be payable to the eligible surviving spouse. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the deceased member at the time of death; or

(2) fifty percent of the deceased member's final average salary.

C. A survivor pension shall also be payable to eligible surviving children if there is no designated survivor beneficiary and the retirement board finds the death to have

been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer. The total amount of survivor pension payable for all eligible surviving children shall be either:

(1) fifty percent of the deceased member's final average salary if an eligible surviving spouse is not paid a pension; or

(2) twenty-five percent of the deceased member's final average salary if an eligible surviving spouse is paid a pension.

The total amount of survivor pension shall be divided equally among all eligible surviving children. If there is only one eligible child, the amount of pension shall be twenty-five percent of the deceased member's final average salary.

D. If the member had the applicable minimum number of years of service credit required for normal retirement, but the retirement board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer and there is no designated survivor beneficiary, a survivor pension shall be payable to the eligible surviving spouse. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the total amount of actual service credit attributable to the deceased member at the time of death; or

(2) thirty percent of the deceased member's final average salary.

E. If the member had the applicable minimum number of years of service credit required for normal retirement, but the retirement board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer and there is no designated survivor beneficiary, and if there is no eligible surviving spouse at the time of death, a survivor pension shall be payable to and divided equally among all eligible surviving children, if any. The total amount of survivor pension payable for all eligible surviving children shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B with the oldest eligible surviving child as the survivor beneficiary using the total amount of actual service credit attributable to the deceased member at the time of death; or

(2) thirty percent of the deceased member's final average salary.

F. An eligible surviving spouse is the spouse to whom the deceased member was married at the time of death. An eligible surviving child is a child under the age of eighteen years and who is an unmarried, natural or adopted child of the deceased member.

G. An eligible surviving spouse's pension shall terminate upon death. An eligible surviving child's pension shall terminate upon death or marriage or reaching age eighteen years, whichever comes first.

H. If there is no designated survivor beneficiary and there is no eligible surviving child, the eligible surviving spouse may elect to be refunded the deceased member's accumulated member contributions instead of receiving a survivor pension.

I. A member may designate a survivor beneficiary to receive a pre-retirement survivor pension, subject to the following conditions:

(1) a written designation, in the form prescribed by the association, is filed by the member with the association;

(2) if the member is married at the time of designation, the designation shall only be made with the consent of the member's spouse, in the form prescribed by the association;

(3) if the member is married subsequent to the time of designation, any prior designations shall automatically be revoked upon the date of the marriage;

(4) if the member is divorced subsequent to the time of designation, any prior designation of the former spouse as survivor beneficiary shall automatically be revoked upon the date of divorce; and

(5) a designation of survivor beneficiary may be changed, with the member's spouse's consent if the member is married, by the member at any time prior to the member's death.

J. If there is a designated survivor beneficiary and the retirement board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer, a survivor pension shall be payable to the designated survivor beneficiary. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the member at the time of death; or

(2) fifty percent of the deceased member's final average salary.

K. If there is a designated survivor beneficiary, if the member had the applicable minimum number of years of service credit required for normal retirement and if the retirement board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty with an affiliated public employer, a survivor pension shall be payable to the designated survivor beneficiary. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the member at the time of death; or

(2) thirty percent of the deceased member's final average salary.

L. If all pension payments permanently terminate before there is paid an aggregate amount equal to the deceased member's accumulated member contributions at time of death, the difference between the amount of accumulated member contributions and the aggregate amount of pension paid shall be paid to the deceased member's refund beneficiary. If no refund beneficiary survives the survivor beneficiary, the difference shall be paid to the estate of the deceased member.

M. For purposes of this section, "service credit" means only the service credit earned by a member during periods of employment with an affiliated public employer.

**History:** Laws 1993, ch. 160, § 4; 1997, ch. 189, § 6; 2013, ch. 225, § 7.

### ANNOTATIONS

**The 2013 amendment**, effective July 1, 2013, clarified how service credit will be calculated for survivors of members who die before retirement; increased the vesting period; in Subsection D, in the first sentence, after "If the member had", deleted "five or more" and added "the applicable minimum number of" and after "service credit", added "required for normal retirement"; in Subsection E, in the first sentence, after "if the member had", deleted "five or more" and added "the applicable minimum number of" and after "service credit", added "required for normal retirement"; in Subsection K, in the first sentence, after "If the member had", deleted "five or more" and added "the applicable minimum number of" and after the phrase "service credit", added "required for normal retirement"; and added Subsection M.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1997 amendment**, effective June 20, 1997, rewrote this section to the extent that a detailed comparison is impracticable.

**Interest of surviving spouse.** — The vested interest in the pension benefits of a deceased member of the public employees retirement association, who has not retired, does not pass to the deceased member's spouse upon the death of the deceased member. The interest of the surviving spouse is limited to the interest created by the Public Employees Retirement Act. Under the Act, the surviving spouse of a deceased member who had not retired has a property interest only in the survivor's benefit which is conditioned upon the fulfillment of statutory requirements. *Martinez v. Pub. Emps. Ret. Ass'n of N.M.*, 2012-NMCA-096, 286 P.3d 613, cert. granted, 2012-NMCERT-009.

**One-year limitation to file an application for benefits does not violate due process.** — The one-year limitation to file an application for pension benefits and the documentation requirements in Subsection A of Section 10-11-14.5 NMSA 1978 does not violate the substantive due process rights of a survivor beneficiary because they are rationally related to the legitimate government interests of promoting the fiduciary purpose of the Public Employees Retirement Act and preventing fraud. *Martinez v. Pub. Emps. Ret. Ass'n of N.M.*, 2012-NMCA-096, 286 P.3d 613, cert. granted, 2012-NMCERT-009.

**Failure to comply with statutory requirements.** — Where plaintiff's spouse, who had worked for the state for seven years and had contributed to the public employees retirement association, died; plaintiff had a property interest in survivor's benefits; plaintiff sent a letter and a copy of the death certificate to defendant in which plaintiff notified defendant of the death of plaintiff's spouse, requested that defendant send plaintiff any paperwork needed to receive a survivor pension, and asked defendant to conduct an audit of the decedent's file to determine the benefits due to plaintiff; defendant sent plaintiff the prescribed application form for survivor benefits and asked plaintiff to complete and return the application; defendant did not notify plaintiff that there was a deadline for submission of the application; and plaintiff sent the completed application to defendant more than two years after plaintiff's spouse died, plaintiff failed to substantially comply with the requirements of Section 10-11-14.5 NMSA 1978 which governed plaintiff's right to survivor benefits, plaintiff's claim for survivor benefits was barred, and plaintiff was not denied substantive due process. *Martinez v. Pub. Emps. Ret. Ass'n of N.M.*, 2012-NMCA-096, 286 P.3d 613, cert. granted, 2012-NMCERT-009.

**"Final average salary".** — The "final average salary" figure may not include lump sum payments for annual leave, sick leave or sick leave converted to annual leave, because such payments are not "salary" within the meaning of the Public Employees' Retirement Act. 1989 Op. Att'y Gen. No. 89-06.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 248; 81A C.J.S. States §§ 46, 112 to 119.

## **10-11-14.6. Calculation of final average salary.**

Under the Public Employees Retirement Act:

A. for a member who was a member on June 30, 2013, the final average salary is one thirty-sixth of the greatest aggregate amount of salary paid a member for thirty-six consecutive, but not necessarily continuous, months of service credit; and

B. for a member who was not a member on June 30, 2013, the final average salary is one-sixtieth of the greatest aggregate amount of salary paid a member for sixty consecutive, but not necessarily continuous, months of service credit.

**History:** Laws 2009, ch. 288, § 12; 2013, ch. 225, § 8.

### **ANNOTATIONS**

**The 2013 amendment**, effective July 1, 2013, changed the benefits for members initially employed after June 30, 2013 by reducing the multiplier and increasing the numbers of years used to calculate the final average salary; in the introductory sentence, after "Under", deleted "each coverage plan of"; in Subsection A, at the beginning of the sentence, added "for a member who was a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-15. State general member coverage plan 1; applicability.**

State general member coverage plan 1 is applicable to state general members who are not specifically covered by another coverage plan.

**History:** Laws 1987, ch. 253, § 15.

### **ANNOTATIONS**

**Repeals.** — Laws 1981, ch. 135, § 18 repealed former 10-11-15 NMSA 1978, relating to contributing service credit, effective March 21, 1981.

### **10-11-16. State general member coverage plan 1; age and service requirements for normal retirement.**

Under state general member coverage plan 1, the age and service requirements for normal retirement are:

- A. age sixty-five years or older and five or more years of credited service;
- B. age sixty-four years and eight or more years of credited service;
- C. age sixty-three years and eleven or more years of credited service;

- D. age sixty-two years and fourteen or more years of credited service;
- E. age sixty-one years and seventeen or more years of credited service;
- F. age sixty years and twenty or more years of credited service; or
- G. any age and twenty-five or more years of credited service.

**History:** Laws 1987, ch. 253, § 16.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-16 NMSA 1978, as amended by Laws 1970, ch. 56, § 1, relating to time served as judge or justice, and enacted a new section, effective July 1, 1987.

#### **10-11-17. State general member coverage plan 1; amount of normal requirements for normal retirement; form of payment A.**

Under state general member coverage plan 1, the amount of a normal retirement pension under form of payment A is equal to two percent of final average salary multiplied by credited service. The amount shall not exceed sixty percent of final average salary.

**History:** Laws 1987, ch. 253, § 17.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-17 NMSA 1978, as amended by Laws 1981, ch. 135, § 5, relating to funds of association, and enacted a new section, effective July 1, 1987.

#### **10-11-18. State general member coverage plan 1; final average salary.**

Under state general member coverage plan 1, final average salary is one thirty-sixth of the greatest aggregate amount of salary paid a member for thirty-six consecutive months of credited service. Under state general member coverage plan 1, if a member has less than thirty-six months of credited service, final average salary is the aggregate amount of salary paid a member for the member's period of credited service divided by the member's credited service.

**History:** Laws 1987, ch. 253, § 18.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-18 NMSA 1978, as amended by Laws 1986, ch. 84, § 2, relating to employees' savings fund, and enacted a new section, effective July 1, 1987.

### **10-11-18.1. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1987, ch. 253, § 140, repealed 10-11-18.1 NMSA 1978, as enacted by Laws 1986, ch. 46, § 1, relating to member contributions and tax treatment, effective July 1, 1987.

### **10-11-19. State general member coverage plan 1; member contribution rate.**

A member under state general member coverage plan 1 shall contribute three and eighty-three one-hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 19.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-19 NMSA 1978, as amended by Laws 1986, ch. 84, § 2, relating to employer's accumulation fund, and enacted a new section, effective July 1, 1987.

### **10-11-20. State general member coverage plan 1; state contribution rate.**

The state shall contribute eleven and forty-eight one-hundredths percent of the salary of each member under state general member coverage plan 1.

**History:** Laws 1987, ch. 253, § 20.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-20 NMSA 1978, as amended by Laws 1965, ch. 284, § 5, relating to retirement reserve fund, and enacted a new section, effective July 1, 1987.

### **10-11-21. State general member coverage plan 2; applicability.**

State general member coverage plan 2 is applicable to state general members after September 30, 1987.



**History:** Laws 1987, ch. 253, § 21.

### ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-21 NMSA 1978, as amended by Laws 1985 (1st S.S.), ch. 10, § 4, relating to income fund, and enacted a new section, effective July 1, 1987.

### **10-11-22. State general member coverage plan 2; age and service requirements for normal retirement.**

Under state general member coverage plan 2, the age and service requirements for normal retirement are:

- A. age sixty-five years or older and five or more years of credited service;
- B. age sixty-four years and eight or more years of credited service;
- C. age sixty-three years and eleven or more years of credited service;
- D. age sixty-two years and fourteen or more years of credited service;
- E. age sixty-one years and seventeen or more years of credited service;
- F. age sixty years and twenty or more years of credited service; or
- G. any age and twenty-five or more years of credited service.

**History:** Laws 1987, ch. 253, § 22.

### ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-22 NMSA 1978, as amended by Laws 1985 (1st S.S.), ch. 10, § 5, relating to superannuation retirement annuity, and enacted a new section, effective July 1, 1987.

**Compiler's notes.** — Laws 1987, ch. 95 purported to amend this section, but was not published because of the repeal and reenactment by Laws 1987, ch. 253.

**Continuation of work for affiliated employer.** — A state employee who filed an application for retirement with the public employees retirement association and commenced receiving a monthly annuity from the public employees retirement association but continues to work for an affiliated employer is not entitled to receive that annuity. 1987 Op. Att'y Gen. No. 87-14.

## **10-11-23. State general member coverage plan 2; amount of pension; form of payment A.**

Under state general member coverage plan 2, the amount of pension under form of payment A is equal to two and one-half percent of final average salary multiplied by credited service. The amount shall not exceed seventy-five percent of the final average salary.

**History:** Laws 1987, ch. 253, § 23.

### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-23 NMSA 1978, as amended by Laws 1981, ch. 135, § 10, relating to retirement annuity while employed, and enacted a new section, effective July 1, 1987.

## **10-11-24. State general member coverage plan 2; final average salary.**

Under state general member coverage plan 2, the final average salary is one thirty-sixth of the greatest aggregate amount of salary paid a member for thirty-six consecutive months of credited service. Under state general member coverage plan 2, if a member has less than thirty-six months of credited service, the final average salary is the aggregate amount of salary paid a member for the member's period of credited service divided by the member's credited service.

**History:** Laws 1987, ch. 253, § 24.

### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-24 NMSA 1978, as amended by Laws 1973, ch. 344, § 2, relating to employment without suspension of annuity, and enacted a new section, effective July 1, 1987.

**Early retiree purchase of service credits.** — Despite the clarity and precision of its formula for computing the cost of a retiring employee's additional purchased service credit, § 139 of Laws 1987, ch. 253 (uncompiled) was ambiguous; it was ambiguous because of its reference to the seventy-fifth fiscal year (the 12-month period ending June 30, 1987), which had already ended when § 139 became effective on July 1, 1987. The section provided that an employee could purchase up to five years of credited service "during the seventy-fifth or seventy-sixth fiscal year," subject to various conditions. Not only was the statute ambiguous by referring to both the seventy-fifth and seventy-sixth fiscal years at the same time, it was also internally inconsistent; the cost for an additional year of service credit had already been fixed by Section 3 of the 1986 amendment to this article (Chapter 89), and no one argues that § 139 was intended to

change that cost, retroactively, to comport with the formula spelled out later in § 139. Thus, the early retirees in the seventy-sixth fiscal year under Laws 1987, ch. 253, § 139 were required to pay an equivalent amount to purchase service credits as paid by early retirees under Laws 1986, ch. 89, § 3. *State ex rel. Helman v. Gallegos*, 1994-NMSC-023, 117 N.M. 346, 871 P.2d 1352.

### **10-11-25. State general member coverage plan 2; member contribution rate.**

A member under state general member coverage plan 2 shall contribute six and eighteen one-hundredths percent of salary starting with the first full pay period in the calendar month in which state general member coverage plan 2 becomes applicable to the member.

**History:** Laws 1987, ch. 253, § 25.

### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-25 NMSA 1978, as amended by Laws 1981, ch. 135, § 11, relating to deferred retirement annuity, and enacted a new section, effective July 1, 1987.

**Early retiree purchase of service credits.** — Despite the clarity and precision of its formula for computing the cost of a retiring employee's additional purchased service credit, § 139 of Laws 1987, ch. 253 (uncompiled) was ambiguous; it was ambiguous because of its reference to the seventy-fifth fiscal year (the 12-month period ending June 30, 1987), which had already ended when § 139 became effective on July 1, 1987. The section provided that an employee could purchase up to five years of credited service "during the seventy-fifth or seventy-sixth fiscal year," subject to various conditions. Not only was the statute ambiguous by referring to both the seventy-fifth and seventy-sixth fiscal years at the same time, it was also internally inconsistent; the cost for an additional year of service credit had already been fixed by Section 3 of the 1986 amendment to this article (Chapter 89), and no one argues that § 139 was intended to change that cost, retroactively, to comport with the formula spelled out later in § 139. Thus, the early retirees in the seventy-sixth fiscal year under Laws 1987, ch. 253, § 139 were required to pay an equivalent amount to purchase service credits as paid by early retirees under Laws 1986, ch. 89, § 3. *State ex rel. Helman v. Gallegos*, 1994-NMSC-023, 117 N.M. 346, 871 P.2d 1352.

### **10-11-26. State general member coverage plan 2; state contribution rate.**

The state shall contribute thirteen and eighty-three one-hundredths percent of the salary of each member covered by state general member coverage plan 2.

**History:** Laws 1987, ch. 253, § 26.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-26 NMSA 1978, as amended by Laws 1981, ch. 135, § 12, relating to annuity options, and enacted a new section, effective July 1, 1987.

**Early retiree purchase of service credits.** — Despite the clarity and precision of its formula for computing the cost of a retiring employee's additional purchased service credit, § 139 of Laws 1987, ch. 253 (uncompiled) was ambiguous; it was ambiguous because of its reference to the seventy-fifth fiscal year (the 12-month period ending June 30, 1987), which had already ended when § 139 became effective on July 1, 1987. The section provided that an employee could purchase up to five years of credited service "during the seventy-fifth or seventy-sixth fiscal year," subject to various conditions. Not only was the statute ambiguous by referring to both the seventy-fifth and seventy-sixth fiscal years at the same time, it was also internally inconsistent; the cost for an additional year of service credit had already been fixed by Section 3 of the 1986 amendment to this article (Chapter 89), and no one argues that § 139 was intended to change that cost, retroactively, to comport with the formula spelled out later in § 139. Thus, the early retirees in the seventy-sixth fiscal year under Laws 1987, ch. 253, § 139 were required to pay an equivalent amount to purchase service credits as paid by early retirees under Laws 1986, ch. 89, § 3. *State ex rel. Helman v. Gallegos*, 1994-NMSC-023, 117 N.M. 346, 871 P.2d 1352.

### **10-11-26.1. State general member coverage plan 3; applicability.**

State general member coverage plan 3 is applicable to peace officer members and is applicable to state general members in the first full pay period after July 1, 1995 if the retirement board certifies to the secretary of state that a majority of the members voting of those members to be covered under state general member coverage plan 3 has voted to approve adoption of this plan at an election conducted pursuant to Laws 1994, Chapter 128, Section 17.

**History:** Laws 1994, ch. 128, § 2; 2013, ch. 225, § 9.

## ANNOTATIONS

**The 2013 amendment**, effective July 1, 2013, applied the member coverage of plan 3 to peace officers; and after "plan 3 is applicable to", added "peace officer members and is applicable".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

## **10-11-26.2. State general member coverage plan 3; age and service credit requirements for normal retirement.**

### A. Under state general member coverage plan 3:

(1) for a member who on or before June 30, 2013 was a peace officer and for a member who is not a peace officer but was a retired member or a member on June 30, 2013, the age and service credit requirements for normal retirement are:

- (a) age sixty-five years or older and five or more years of service credit;
- (b) age sixty-four years and eight or more years of service credit;
- (c) age sixty-three years and eleven or more years of service credit;
- (d) age sixty-two years and fourteen or more years of service credit;
- (e) age sixty-one years and seventeen or more years of service credit;
- (f) age sixty years and twenty or more years of service credit; or
- (g) any age and twenty-five or more years of service credit;

(2) for a member who is not a peace officer and was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (a) age sixty-five years or older and five or more years of service credit; or
- (b) any age if the member has five or more years of service credit and the sum of the member's age and years of service credit equals at least eighty-five;

(3) for a member who on or after July 1, 2013 becomes a peace officer and who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (a) age sixty years or older and five or more years of service credit; or
- (b) any age and twenty-five or more years of service credit; and

(4) for a member who on or after January 1, 2023 becomes a public regulation commission commissioner, who was not a retired member or a member prior to January 1, 2023 and whose service credit is limited to service as a commissioner, the age and service requirement for normal retirement is age sixty-five years or older and six or more years of service credit.

B. As used in this section, "peace officer" means any employee of the state with a duty to maintain public order or to make arrests for crime, whether that duty extends to all crimes or is limited to specific crimes, and who is not specifically covered by another coverage plan.

**History:** Laws 1994, ch. 128, § 3; 2009, ch. 288, § 6; 2013, ch. 225, § 10; 2020, ch. 9, § 24; 2020, ch. 11, § 4.

## ANNOTATIONS

**2020 Multiple Amendments.** — Laws 2020, ch. 9, § 24, effective January 1, 2023, and Laws 2020, ch. 11, § 4, effective July 1, 2020, enacted different amendments to this section that can be reconciled. Pursuant to 12-1-8 NMSA 1978, Laws 2020, ch. 11, § 4 as the last act signed by the governor is set out above and incorporates both amendments. The amendments enacted by Laws 2020, ch. 9, § 24 and Laws 2020, ch. 11, § 4 are described below. To view the session laws in their entirety, see the 2020 session laws on *NMOneSource.com*.

The nature of the difference between the amendments is that Laws 2020, ch. 9, § 24, provided service credit requirements for public regulation commissioners who become commissioners on or after January 1, 2023 and whose service credit is limited to service as a commissioner, and Laws 2020, ch. 11, § 4, changed the service credit requirement for certain retirees.

**Laws 2020, ch. 9, § 24**, effective January 1, 2023, provided service credit requirements for public regulation commissioners who become commissioners on or after January 1, 2023 and whose service credit is limited to service as a commissioner; and in Subsection A, added Paragraph (4).

**Laws 2020, ch. 11, § 4**, effective July 1, 2020, changed the service credit requirement for certain retirees; in Subsection A, Subparagraph A(2)(a), after "sixty-five years or older and", deleted "eight" and added "five", in Subparagraph A(2)(b), after "the member has", deleted "eight" and added "five", and in Subparagraph A(3)(a), after "sixty years or older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement; in Paragraph (1) of Subsection A, in the introductory sentence, after "a member who", deleted "is" and added "on or before June 30, 2013" and after "a member on June 30", deletes "2010" and added "2013"; in Paragraph (2) of Subsection A, in the introductory sentence, after "a member on June 30", deleted "2010" and added "2013", in Subparagraph (a), after "age", deleted "sixty-seven" and added "sixty-five" and after "older and", deleted "five" and added "eight", and in Subparagraph (b), after "any age if", added "the member has eight of more years of service credit and" and after "equals at least", deleted "eighty" and added "eighty-five", and deleted former Subparagraph (c), which provided "any age and thirty or more years of service credit"; and added Paragraph (3).

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2009 amendment,** effective July 1, 2011, added Paragraph (1) of Subsection A, but not Subparagraphs (a) through (g) of Paragraph (1); added Paragraph (2) of Subsection A; and added Subsection B.

### **10-11-26.3. State general member coverage plan 3; amount of pension; form of payment A.**

Under state general member coverage plan 3:

A. for a member with age and service requirements provided under Paragraph (1) or (3) of Subsection A of Section 10-11-26.2 NMSA 1978, the amount of pension under form of payment A is equal to three percent of final average salary multiplied by service credit. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Paragraph (2) of Subsection A of Section 10-11-26.2 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by service credit. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1994, ch. 128, § 4; 2013, ch. 225, § 11; 2023, ch. 53, § 1.

#### **ANNOTATIONS**

**The 2023 amendment,** effective June 16, 2023, increased the maximum amount of pension that a state general member is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment,** effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Paragraph (1) or (3) of Subsection A of Section 10-11-26.2 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "eighty" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

#### **10-11-26.4. Repealed.**

**History:** Laws 1994, ch. 128, § 5; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-26.4 NMSA 1978, as enacted by Laws 1994, ch. 128, § 5, relating to state general member coverage plan 3, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

#### **10-11-26.5. State general member coverage plan 3; member contribution rate.**

A member under state general member coverage plan 3 shall contribute seven and forty-two hundredths percent of salary starting with the first full pay period that ends within the calendar month in which state general member coverage plan 3 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute :

A. beginning July 1, 2020 and continuing through June 30, 2021, nine and forty-two hundredths percent of salary;

B. beginning July 1, 2021 and continuing through June 30, 2022, nine and ninety-two hundredths percent of salary;

C. beginning July 1, 2022 and continuing through June 30, 2023, ten and forty-two hundredths percent of salary; and

D. beginning July 1, 2023 and thereafter, ten and ninety-two hundredths percent of salary.

**History:** Laws 1994, ch. 128, § 6; 2009, ch. 127, § 1; 2011, ch. 178, § 1; 2013, ch. 225, § 12; 2020, ch. 11, § 5.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars



(\$25,000)", and after "shall contribute", deleted "eight and ninety-two hundredths percent of salary"; and added Subsections A through D.

**Temporary provisions.** — **Laws 2020, ch. 11, § 65** provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to adult probation and parole officer members currently contributing under state general member coverage plan 3 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**Laws 2020, ch. 11, § 66** provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to juvenile probation and parole officer members currently contributing under state general member coverage plan 3 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of seven and forty-two hundredths percent of salary, except for employees whose salary was greater than twenty thousand dollars who were required to pay a rate which ranged from eight and ninety-two hundredths percent beginning July 1, 2009, ten and sixty-seven hundredths percent beginning July 1, 2011, and eight and ninety-two hundredths percent beginning July 1, 2012; and added the current language.

**Severability.** — **Laws 2013, ch. 225, § 93** provided that if any part or application of **Laws 2013, ch. 225** is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, for the period from July 1, 2011 through June 30, 2012, increased the member contribution rate for members whose annual salary is more than twenty thousand dollars.

**The 2009 amendment**, effective July 1, 2009, added the exception at the end of the sentence.

### **10-11-26.6. State general member coverage plan 3; state contribution rate.**

The state shall contribute the following percentages of the salary of each member covered by state general member coverage plan 3 starting with the first pay period that

ends within the calendar month in which state general member coverage plan 3 becomes applicable to the member:

A. beginning July 1, 2020 and continuing through June 30, 2021, seventeen and seventy-four hundredths percent of salary;

B. beginning July 1, 2021 and continuing through June 30, 2022, eighteen and twenty-four hundredths percent of salary;

C. beginning July 1, 2022 and continuing through June 30, 2023, eighteen and seventy-four hundredths percent of salary; and

D. beginning July 1, 2023 and thereafter, nineteen and twenty-four hundredths percent of salary.

**History:** Laws 1994, ch. 128, § 7; 2009, ch. 127, § 2; 2011, ch. 178, § 2; 2013, ch. 225, § 13; 2019, ch. 237, § 1; 2020, ch. 11, § 6.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, increased the state contribution rate by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "seventeen and twenty-four hundredths percent" and added "the following percentages"; and added Subsections A through D.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "sixteen and ninety nine" and added "seventeen and twenty-four", and after "applicable to the member", deleted "except that, from July 1, 2013 through June 30, 2014, the state contribution rate shall be sixteen and fifty-nine hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute sixteen and", deleted "fifty-nine hundredths" and added "ninety-nine hundredths"; after "except that", deleted "for members whose annual salary is greater than twenty thousand dollars (\$20,000)" and added the remainder of the sentence; and deleted former Subsections A, B and C, which provided for an employer contribution rate for employees whose annual salary was greater than twenty thousand dollars that ranged from fifteen and nine-hundredths percent beginning July 1, 2009, thirteen and thirty-four hundredths percent beginning July 1, 2011, and eight and fifteen and nine-hundredths percent beginning July 1, 2012; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, decreased the state contribution rate for the period from July 1, 2011 through June 30, 2012.

**Temporary provisions.** — Laws 2011, ch. 178, § 15 provided that for the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

Laws 2011, ch. 178, § 16, provided that notwithstanding a provision of Laws 2011, Chapter 178 to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

- (1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and
- (2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012.

**The 2009 amendment**, effective July 1, 2009, added the exception at the end of the sentence.

### **10-11-26.7. Service credit under this plan required.**

Notwithstanding the provisions of Section 3 [10-11-26.2 NMSA 1978] of this act, to qualify for payment under state general member coverage plan 3, a member shall have one and one-half years of service credit earned under the general member coverage plan 3 subsequent to July 1, 1995.

**History:** Laws 1994, ch. 128, § 8.

## **ANNOTATIONS**

**Retirement due to disability.** — The requirement that an employee have one and one-half years earned service credit to qualify for payment under coverage plan 3 supplements the service credit requirements for normal requirement and does not apply to employees who apply for early retirement due to a disability. *Garcia-Montoya v. Pub. Emps. Ret. Bd.*, 2006-NMCA-094, 140 N.M. 175, 140 P.3d 1124.

**10-11-27. State police member, correctional officer member and probation and parole officer member coverage plan 1; applicability; credited service.**

A. State police member, correctional officer member and probation and parole officer member coverage plan 1 is applicable to:

- (1) state police members who are not specifically covered by another coverage plan;
- (2) adult correctional officer members;
- (3) juvenile correctional officer members;
- (4) adult probation and parole officer members; and
- (5) juvenile probation and parole officer members.

B. The credited service of a state police member who was a retired member or a member on or before June 30, 2013 or of an adult correctional officer member shall have actual credited service increased by twenty percent for the purposes of state police member, correctional officer member and probation and parole officer member coverage plan 1.

C. The credited service, accrued after July 1, 2021, of a juvenile correctional officer member, an adult probation and parole officer or a juvenile probation and parole officer shall be increased by twenty percent for the purposes of state police member, correctional officer member and probation and parole officer member coverage plan 1.

D. Except as provided in Subsection B of this section, the credited service of a member covered under state police member, correctional officer member and probation and parole officer member coverage plan 1 shall be credited as provided in Section 10-11-4 NMSA 1978.

E. State police member, correctional officer member and probation and parole officer member coverage plan 1 is applicable to juvenile correctional officer members, adult probation and parole officer members and juvenile probation and parole officer members in the first full pay period after July 1, 2021 if the retirement board certifies to the secretary of state that, of those juvenile correctional officer members, adult probation and parole officer members and juvenile probation and parole officer

members to be covered under state police member, correctional officer member and probation and parole officer member coverage plan 1, a majority of the respective members voting have voted to approve adoption of that plan at an election conducted pursuant to Laws 2020, Chapter 11, Sections 63 through 66.

**History:** Laws 1987, ch. 253, § 27; 2003, ch. 268, § 9; 2003, ch. 269, § 1; 2013, ch. 225, § 14; 2020, ch. 11, § 7; 2023, ch. 35, § 1.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-27 NMSA 1978, as enacted by Laws 1965, ch. 263, § 1, relating to elective option coverages, and enacted a new section, effective July 1, 1987.

**The 2023 amendment**, effective June 16, 2023, granted additional service credit to state police members who were hired prior to June 30, 2013, removed the requirement that the member hold the permanent rank of patrolman, sergeant, lieutenant or captain and does not hold an exempt rank or who is an aircraft division pilot, and made technical changes; in Subsection B, after "retired member or a member on", added "or before", and after "June 30, 2013", deleted "and who has held the permanent rank of patrolman, sergeant, lieutenant or captain and does not hold an exempt rank or who is assigned to the aircraft division as a pilot"; and in Subsection E, after "pursuant to", added "Laws 2020, Chapter 11", and after "Sections 63 through 66", deleted "of this 2020 act".

**Applicability.** — Laws 2023, ch. 35, § 2 provided that the provisions of Laws 2023, ch. 35, § 1 apply to credited service accrued:

A. on and after June 16, 2023; and

B. prior to June 16, 2023; provided that the credited service was accrued by a state police member who is subject to the provisions of Subsection B of 10-11-27 NMSA 1978 and that state police member has not previously retired.

**The 2020 amendment**, effective July 1, 2020, revised the name of the coverage plan, included juvenile correctional officer members, adult probation and parole officer members, and juvenile probation and parole officer members in the coverage plan subject to approval by a majority of the respective members voting to approve adoption of that plan, and provided that the credited service accrued after July 1, 2021 of these members be increased by twenty percent; in the section heading, deleted "and adult", and added "and probation and parole officer member"; after "state police member", deleted "and adult", and after "correctional officer member", added "and probation and parole officer member" throughout the section; in Subsection A, added new paragraph designations "(1)" and "(2)" and Paragraphs A(3) through A(5); added a new Subsection C and redesignated the succeeding subsections accordingly; in Subsection E, after "applicable to", deleted "adult" and added "juvenile", after "correctional officer

members", added "adult probation and parole officer members and juvenile probation and parole officer members", after "July 1", deleted "2004" and added "2021", after "of those", deleted "adult" and added "juvenile", after "correctional officer members", added "adult probation and parole officer members and juvenile probation and parole officer members", after "state police member", deleted "and adult", and after "correctional officer member", added "and probation and parole officer member", after "majority of the", added "respective", and after "pursuant to", deleted "Laws 2003, Chapter 268, Section 16" and added "Sections 63 through 66 of this 2020 act".

**Temporary provisions.** — **Laws 2020, ch. 11, § 63** provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to juvenile correctional officer members currently contributing under juvenile correctional officer member coverage plan 1 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**Laws 2020, ch. 11, § 64** provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to juvenile correctional officer members currently contributing under juvenile correctional officer member coverage plan 2 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**Laws 2020, ch. 11, § 65** provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to adult probation and parole officer members currently contributing under state general member coverage plan 3 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**Laws 2020, ch. 11, § 66** provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to juvenile probation and parole officer members currently contributing under state general member coverage plan 3 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**The 2013 amendment**, effective July 1, 2013, clarified how service credit under plan 1 will be calculated; in the title, added "credited service"; in Paragraph B, after "state police member", added "who was a retired member or a member on June 30, 2013 and"; and added Subsection C.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2003 amendment,** — effective July 1, 2003, inserted "lieutenant or captain" following "rank of patrolman, sergeant," near the middle.

### **10-11-27.1. State police member, correctional officer member and probation and parole officer member coverage plan 1; service credit required.**

Notwithstanding the provisions of Section 10-11-27 NMSA 1978, to qualify for payment under state police member, correctional officer member and probation and parole officer member coverage plan 1, an adult correctional officer member shall have eighteen months of service credit earned under state police member, correctional officer member and probation and parole officer member coverage plan 1 subsequent to July 1, 2004.

**History:** 1978 Comp., § 10-11-27.1, enacted by Laws 2003, ch. 268, § 10; 2020, ch. 11, § 8.

#### **ANNOTATIONS**

**The 2020 amendment,** effective July 1, 2020, revised the name of the coverage plan; in the section heading, deleted "and adult", and added "and probation and parole officer member"; and after each occurrence of "state police member", deleted "and adult", and after each occurrence of "correctional officer member", added "and probation and parole officer member".

### **10-11-27.2. Legislative findings.**

The legislature finds that:

A. it is appropriate to recognize the professionalism and dedication of state police officers, who provide an essential service to the citizens of New Mexico;

B. it is appropriate to recognize the hazardous nature of the work performed by state police officers;

C. the spirit of what it takes to be a state police officer is personified by Sergeant Brent H. Bateman, who served with honor as a state police officer for twenty-two years. Sergeant Bateman became ill days after his retirement and passed away a short six months following retirement; and

D. the twenty percent credit toward actual service, as provided in Subsection B of Section 10-11-27 NMSA 1978 under state police member coverage plan 1, is dedicated to Sergeant Brent H. Bateman and all other officers who have served, and who do serve, as New Mexico state police officers.

**History:** 1978 Comp., § 10-11-27.2, enacted by Laws 2003, ch. 269, § 2; 2013, ch. 225, § 15.

## ANNOTATIONS

**The 2013 amendment,** effective July 1, 2013, added a reference to the clarified method for calculating service credit under plan 1; and in Subsection D, after "as provided in", added "Subsection B of Section 10-11-27 NMSA 1978 under".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-28. State police member, correctional officer member and probation and parole officer member coverage plan 1; age and service requirements for normal retirement.**

Under state police member, correctional officer member and probation and parole officer member coverage plan 1:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service;
- (6) age sixty years and twenty or more years of credited service; or
- (7) any age and twenty-five or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or



(2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 28; 2003, ch. 268, § 11; 2013, ch. 225, § 16; 2020, ch. 11, § 9.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-28 NMSA 1978, as enacted by Laws 1981, ch. 135, § 13, relating to survivor annuities, and enacted a new section, effective July 1, 1987.

**The 2020 amendment,** effective July 1, 2020, revised the name of the coverage plan; in the section heading, deleted "and adult", and added "and probation and parole officer member"; and after each occurrence of "state police member", deleted "and adult", and after each occurrence of "correctional officer member", added "and probation and parole officer member".

**The 2013 amendment,** effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, at the beginning of the sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2003 amendment,** effective July 1, 2003, inserted "and adult correctional officer member" following "State police member" near the beginning of the section heading; and inserted "and adult correctional officer member" following "under state police member" near the middle of the first sentence.

### **10-11-29. State police member, correctional officer member and probation and parole officer member coverage plan 1; amount of pension; form of payment A.**

Under state police member, correctional officer member and probation and parole officer member coverage plan 1, the amount of pension under form of payment A is equal to three percent of final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 29; 2003, ch. 268, § 12; 2013, ch. 225, § 17; 2020, ch. 11, § 10; 2023, ch. 53, § 2.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-29 NMSA 1978, as amended by Laws 1985, ch. 162, § 1, relating to cost-of-living adjustment, and enacted a new section, effective July 1, 1987.

**The 2023 amendment,** effective June 16, 2023, increased the maximum amount of pension that a state police member is permitted to earn; and after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2020 amendment,** effective July 1, 2020, revised the name of the coverage plan; in the section heading, deleted "and adult", and added "and probation and parole officer member"; and after "state police member", deleted "and adult", and after "correctional officer member", added "and probation and parole officer member".

**The 2013 amendment,** effective July 1, 2013, increased the maximum pension benefit; and in the second sentence, after "shall not exceed", deleted "eighty" and added "ninety".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2003 amendment,** effective July 1, 2003, inserted "and adult correctional officer member" following "state police member" in the section heading and following "member" in the text.

## **10-11-29.1. Repealed.**

### **ANNOTATIONS**

**Repeals.** — Laws 1987, ch. 253, § 140, repealed 10-11-29.1 NMSA 1978, as enacted by 1981, ch. 139, § 1, relating to cost of living increase authorization and procedure for adjustment, effective July 1, 1987.

## **10-11-30. Repealed.**

**History:** Laws 1987, ch. 253, § 30; 2003, ch. 268, § 13; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-30 NMSA 1978, as enacted by Laws 1987, ch. 253, § 30, relating to state police member and adult correctional officer member coverage plan 1, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-31. State police member, correctional officer member and probation and parole officer member coverage plan 1; member contribution rate.**

A member under state police member, correctional officer member and probation and parole officer member coverage plan 1 shall contribute seven and six-tenths percent of salary, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute nine and one-tenth percent of salary.

**History:** Laws 1987, ch. 253, § 31; 2003, ch. 268, § 14; 2009, ch. 127, § 3; 2011, ch. 178, § 3; 2013, ch. 225, § 18; 2020, ch. 11, § 11.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-31 NMSA 1978, as amended by Laws 1981, ch. 135, § 14, relating to duty disability, and enacted a new section, effective July 1, 1987.

**The 2020 amendment,** effective July 1, 2020, revised the name of the coverage plan, and increased the salary amount applicable to the increased member contribution rate; in the section heading and section, deleted "and adult", and added "and probation and parole officer member"; and after "annual salary is greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)".

**The 2013 amendment,** effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of seven and six-tenths hundredths percent of salary, except for employees whose salary was greater than twenty thousand dollars who were required to pay a rate which ranged from nine and one-tenth percent beginning July 1, 2009, ten and eighty-five hundredths percent beginning July 1, 2011, and nine and one-tenth percent beginning July 1, 2012; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment,** effective July 1, 2011, for the period from July 1, 2011 through June 30, 2012, increased the member contribution rate for members whose annual salary is more than twenty thousand dollars.

**The 2009 amendment**, effective July 1, 2009, added the exception at the end of the sentence.

**The 2003 amendment**, effective July 1, 2003 inserted "and adult correctional officer member" in the section heading; and inserted "and adult correctional officer member" in the text.

### **10-11-32. State police member, correctional officer member and probation and parole officer member coverage plan 1; state contribution rate.**

The state shall contribute twenty-five and one-half percent of the salary of each member under state police member, correctional officer member and probation and parole officer member coverage plan 1.

**History:** Laws 1987, ch. 253, § 32; 2003, ch. 268, § 15; 2009, ch. 127, § 4; 2011, ch. 178, § 4; 2013, ch. 225, § 19; 2020, ch. 11, § 12.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-32 NMSA 1978, as amended by Laws 1981, ch. 135, § 15, relating to nonduty disability, and enacted a new section, effective July 1, 1987.

**The 2020 amendment**, effective July 1, 2020, revised the name of the coverage plan, and removed certain outdated language; in the section heading and section, deleted "and adult", and added "and probation and parole officer member"; and after "coverage plan 1", deleted "except that, from July 1, 2013 through June 30, 2014, the state contribution rate shall be twenty-five and one-tenth percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute twenty-five and", deleted "one-tenth" and added "one-half"; after "except that", deleted "for members whose annual salary is greater than twenty thousand dollars (\$20,000)" and added the remainder of the sentence; and deleted former Subsections A, B and C, which provided for an employer contribution rate for employees whose annual salary was greater than twenty thousand dollars that ranged from twenty-three and six-tenths percent beginning July 1, 2009, twenty-one and eighty-five hundredths percent beginning July 1, 2011, and twenty-three and six-tenths percent beginning July 1, 2012; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, decreased the state contribution rate for the period from July 1, 2011 through June 30, 2012.

**The 2009 amendment**, effective July 1, 2009, added the exception at the end of the sentence.

**The 2003 amendment**, effective July 1, 2003 inserted "and adult correctional officer member" in the section heading; and inserted "and adult correctional officer member" following "under state police member" near the end of the section.

### **10-11-33. Juvenile correctional officer member coverage plan 1; applicability.**

Juvenile correctional officer member coverage plan 1 is applicable to juvenile correctional officer members who are not specifically covered by another coverage plan.

**History:** Laws 1987, ch. 253, § 33; 2013, ch. 225, § 20.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-33 NMSA 1978, as amended by Laws 1981, ch. 135, § 16, relating to reexamination of disability annuitants, and enacted a new section, effective July 1, 1987.

**The 2013 amendment**, effective July 1, 2013, applied the member coverage of plan 1 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; at the beginning of the sentence, deleted "State hazardous duty" and added "Juvenile correctional officer", and after "applicable to", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-34. Juvenile correctional officer member coverage plan 1; age and service requirements for normal retirement.**

Under juvenile correctional officer member coverage plan 1, the age and service requirements for normal retirement are:

- A. age sixty-five years or older and five or more years of credited service;
- B. age sixty-four years and eight or more years of credited service;
- C. age sixty-three years and eleven or more years of credited service;

- D. age sixty-two years and fourteen or more years of credited service;
- E. age sixty-one years and seventeen or more years of credited service;
- F. age sixty years and twenty or more years of credited service; or
- G. any age and twenty-five or more years of credited service.

**History:** Laws 1987, ch. 253, § 34; 2013, ch. 225, § 21.

### ANNOTATIONS

**Repeals.** — Laws 1981, ch. 135, § 18 repealed 10-11-34 NMSA 1978, relating to annuities for death in the line of duty, effective March 21, 1981.

**The 2013 amendment,** effective July 1, 2013, applied the age and service requirements for normal retirement under member coverage plan 1 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; and at the beginning of the introductory sentence, after "Under", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-35. Juvenile correctional officer member coverage plan 1; amount of pension; form of payment A.**

Under juvenile correctional officer member coverage plan 1, the amount of pension under form of payment A is equal to two and one-half percent of final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 35; 2013, ch. 225, § 22.

### ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-35 NMSA 1978, as amended by Laws 1985 (1st S.S.), ch. 10, § 6, relating to survivors' benefit fund, and enacted a new section, effective July 1, 1987.

**The 2013 amendment,** effective July 1, 2013, applied the amount of the pension under the member coverage plan 1 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; and at the beginning of the first sentence, after "Under", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-36. Repealed.**

**History:** Laws 1987, ch. 253, § 36; repealed by Laws 2013, ch. 225, § 91.

#### **ANNOTATIONS**

**Repeals.** — Laws 2013, ch. 225, § 92 repealed 10-11-36 NMSA 1978, as enacted by Laws 1987, ch. 253, § 36, relating to state hazardous duty member coverage plan 1, final average salary, effective July 1, 2013. For provisions of former section, see the 2012 NMSA 1978 on *NMOneSource.com*.

### **10-11-37. Juvenile correctional officer member coverage plan 1; member contribution rate.**

A member under juvenile correctional officer member coverage plan 1 shall contribute four percent of salary.

**History:** Laws 1987, ch. 253, § 37; 2013, ch. 225, § 23.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-37 NMSA 1978, as enacted by Laws 1953, ch. 162, § 22, relating to inapplicability of insurance and banking laws, and enacted a new section, effective July 1, 1987.

**The 2013 amendment,** effective July 1, 2013, applied the member contribution rate under member coverage plan 1 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; and after "under", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-38. Juvenile correctional officer member coverage plan 1; state contribution rate.**

The state shall contribute twenty-one and five-tenths percent of the salary of each member under juvenile correctional officer member coverage plan 1.

**History:** Laws 1987, ch. 253, § 38; 2013, ch. 225, § 24.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-38 NMSA 1978, as enacted by Laws 1953, ch. 162, § 23, relating to gifts and bequests, and enacted a new section, effective July 1, 1987.

**The 2013 amendment**, effective July 1, 2013, applied the employer contribution rate under member coverage plan 1 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; and after "under", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-38.1. Juvenile correctional officer member coverage plan 2; applicability.**

Juvenile correctional officer member coverage plan 2 is applicable to juvenile correctional officer members in the first full pay period after July 1, 1995 if the retirement board certifies to the secretary of state that a majority of the members voting of those members to be covered under juvenile correctional officer member coverage plan 2 has voted to approve adoption of this plan at an election conducted pursuant to Laws 1994, Chapter 128, Section 17.

**History:** Laws 1994, ch. 128, § 9; 2013, ch. 225, § 25.

## ANNOTATIONS

**The 2013 amendment**, effective July 1, 2013, applied the member coverage of plan 2 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; at the beginning of the sentence, deleted "State hazardous duty" and added "Juvenile correctional officer", after "applicable to", deleted "state hazardous duty" and added "juvenile correctional officer"; and after "covered under", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-38.2. Juvenile correctional officer member coverage plan 2; age and service credit requirements for normal retirement.**

Under juvenile correctional officer member coverage plan 2:



A. for a member who was a retired member or a member on June 30, 2013, the age and service credit requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit;
- (2) age sixty-four years and eight or more years of service credit;
- (3) age sixty-three years and eleven or more years of service credit;
- (4) age sixty-two years and fourteen or more years of service credit;
- (5) age sixty-one years and seventeen or more years of service credit;
- (6) age sixty years and twenty or more years of service credit; and
- (7) any age and twenty-five or more years of service credit; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1994, ch. 128, § 10; 2013, ch. 225, § 26; 2020, ch. 11, § 13.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**Temporary provisions.** — Laws 2020, ch. 11, § 64 provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to juvenile correctional officer members currently contributing under juvenile correctional officer member coverage plan 2 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement under member coverage plan 2 for juvenile correctional officers who were not retired or were members on June 30, 2013; at the beginning of the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; at the beginning of the introductory sentence, after "Under", deleted "state

hazardous duty" and added "juvenile correctional officer"; in Subsection A, in the introductory sentence, at the beginning of the sentence, added "for a member who was retired or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-38.3. Juvenile correctional officer member coverage plan 2; amount of pension; form of payment A.**

Under juvenile correctional officer member coverage plan 2, the amount of pension under form of payment A is equal to three percent of final average salary multiplied by service credit. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1994, ch. 128, § 11; 2013, ch. 225, § 27; 2023, ch. 53, § 3.

#### **ANNOTATIONS**

**The 2023 amendment,** effective June 16, 2023, increased the maximum amount of pension that a juvenile correctional officer member is permitted to earn; and after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment,** effective July 1, 2013, decreased the maximum pension benefit under the member coverage plan 2 for juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; in the first sentence, after "Under", deleted "state hazardous duty" and added "juvenile correctional officer"; and in the second sentence, after "shall not exceed", deleted "one hundred" and added the word "ninety".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-38.4. Repealed.**

**History:** Laws 1994, ch. 128, § 12; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-38.4 NMSA 1978, as enacted by Laws 1994, ch. 128, § 12, relating to state hazardous duty member coverage plan 2, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-38.5. Juvenile correctional officer member coverage plan 2; member contribution rate.**

A member under juvenile correctional officer member coverage plan 2 shall contribute four and seventy-eight hundredths percent of salary starting with the first full pay period that ends within the calendar month in which juvenile correctional officer member coverage plan 2 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

A. beginning July 1, 2020 and continuing through June 30, 2021, six and seventy-eight hundredths percent of salary;

B. beginning July 1, 2021 and continuing through June 30, 2022, seven and twenty-eight hundredths percent of salary;

C. beginning July 1, 2022 and continuing through June 30, 2023, seven and seventy-eight hundredths percent of salary; and

D. beginning July 1, 2023 and thereafter, eight and twenty-eight hundredths percent of salary.

**History:** Laws 1994, ch. 128, § 13; 2009, ch. 127, § 5; 2011, ch. 178, § 5; 2013, ch. 225, § 28; 2020, ch. 11, § 14.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "six and twenty-eight hundredths percent of salary"; and added Subsections A through D.

**Temporary provisions.** — Laws 2020, ch. 11, § 64 provided that on or before May 1, 2021, the retirement board shall conduct an election to submit to juvenile correctional officer members currently contributing under juvenile correctional officer member coverage plan 2 the question of adopting state police member, correctional officer member and probation and parole officer member coverage plan 1. The election shall be conducted in accordance with procedures adopted by the retirement board, and the

retirement board shall certify the results of the election to the secretary of state on or before July 1, 2021.

**The 2013 amendment**, effective July 1, 2013, applied the member contribution rate under member coverage plan 2 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; and after "under", deleted "state hazardous duty" and added "juvenile correctional officer"; deleted the entire section, which provided for employee contributions at a rate of seven and forty-two hundredths percent of salary, except for employees whose salary was greater than twenty thousand dollars who were required to pay a rate which ranged from six and twenty-eight hundredths percent beginning July 1, 2009, eight and three-hundredths percent beginning July 1, 2011, and six and twenty-eight hundredths percent beginning July 1, 2012; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, for the period from July 1, 2011 through June 30, 2012, increased the member contribution rate for members whose annual salary is more than twenty thousand dollars.

**The 2009 amendment**, effective July 1, 2009, added the exception at the end of the sentence.

### **10-11-38.6. Juvenile correctional officer member coverage plan 2; state contribution rate.**

The state shall contribute the following percentages of the salary of each member covered by juvenile correctional officer member coverage plan 2 starting with the first pay period that ends within the calendar month in which juvenile correctional officer member coverage plan 2 becomes applicable to the member:

A. beginning July 1, 2020 and continuing through June 30, 2021, twenty-six and eighty-seven hundredths percent of salary;

B. beginning July 1, 2021 and continuing through June 30, 2022, twenty-seven and thirty-seven hundredths percent of salary;

C. beginning July 1, 2022 and continuing through June 30, 2023, twenty-seven and eighty-seven hundredths percent of salary; and

D. beginning July 1, 2023 and thereafter, twenty-eight and thirty-seven hundredths percent of salary.

**History:** Laws 1994, ch. 128, § 14; 2009, ch. 127, § 6; 2011, ch. 178, § 6; 2013, ch. 225, § 29; 2019, ch. 237, § 2; 2020, ch. 11, § 15.

## ANNOTATIONS

**The 2020 amendment,** effective July 1, 2020, increased the state contribution rate by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "twenty-six and thirty-seven hundredths percent" and added "the following percentages"; and added Subsections A through D.

**The 2019 amendment,** effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute twenty-six and", deleted "twelve" and added "thirty-seven", and after "applicable to the member", deleted "except that, from July 1, 2013 through June 30, 2014, the state contribution rate shall be twenty-five and seventy-two hundredths percent of the salary of each member".

**The 2013 amendment,** effective July 1, 2013, applied the employer contribution rate under member coverage plan 2 to juvenile correctional officers; in the title, deleted "State hazardous duty" and added "Juvenile correctional officer"; after "contribute", deleted "twenty-five and seventy-two hundredths" and added "twenty-six and twelve-hundredths"; after "member covered by", deleted "state hazardous duty" and added "juvenile correctional officer"; after "month in which", deleted "state hazardous duty" and added "juvenile correctional officer"; after "except that", deleted "for members whose annual salary is greater than twenty thousand dollars (\$20,000)" and added the remainder of the sentence; and deleted former Subsections A, B and C, which provided for an employer contribution rate for employees whose annual salary was greater than twenty thousand dollars that ranged from twenty-four and twenty-two hundredths percent beginning July 1, 2009, twenty-two and forty-seven hundredths percent beginning July 1, 2011, and twenty-four and twenty-two hundredths percent beginning July 1, 2012.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment,** effective July 1, 2011, decreased the state contribution rate for the period from July 1, 2011 through June 30, 2012.

**The 2009 amendment,** effective July 1, 2009, added the exception at the end of the sentence.

### **10-11-38.7. Service credit under this plan required.**

Notwithstanding the provisions of Section 10-11-38.2 NMSA 1978, to qualify for payment under juvenile correctional officer member coverage plan 2, a member shall

have one and one-half years of service credit earned under the juvenile correctional officer member coverage plan 2 subsequent to July 1, 1995.

**History:** Laws 1994, ch. 128, § 15; 2013, ch. 225, § 30.

### ANNOTATIONS

**The 2013 amendment**, effective July 1, 2013, applied the service credit requirements under member coverage plan 2 to juvenile correctional officers; after "payment under", deleted "state hazardous duty" and added "juvenile correctional officer"; and after "earned under the", deleted "state hazardous duty" and added "juvenile correctional officer".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-39. State legislator member coverage plan 1; applicability.**

State legislator member coverage plan 1 is applicable to state legislators and lieutenant governors who served terms of office that ended on or before December 31, 2002.

**History:** Laws 1987, ch. 253, § 39; 2003, ch. 85, § 4.

### ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-39 NMSA 1978, as enacted by Laws 1963, ch. 102, § 1, relating to assumption of retirement plans created pursuant to 1947 law, and enacted a new section, effective July 1, 1987.

**The 2003 amendment**, effective July 1, 2003 inserted "who served terms of office that ended on or before December 31, 2002" at the end of the section.

**Legislative retirement plan does not violate constitution.** — The retirement benefits for which legislators may be eligible under the legislative retirement plan do not constitute legislative compensation; accordingly, the plan does not violate N.M. Const. art IV, § 10. *State ex rel. Udall v. Public Emps. Ret. Bd.*, 1995-NMSC-078, 120 N.M. 786, 907 P.2d 190, *rev'g* 1994-NMCA-094, 118 N.M. 507, 882 P.2d 548.

### **10-11-40. State legislator member coverage plan 1; age and service requirements for normal retirement.**

Under state legislator member coverage plan 1, the age and service requirements for normal retirement are:

- A. age sixty-five years or older and five or more years of credited service;
- B. age sixty-four years or older and eight or more years of credited service;
- C. age sixty-three years or older and eleven or more years of credited service;
- D. age sixty years or older and twelve or more years of credited service; or
- E. any age and fourteen or more years of credited service.

**History:** Laws 1987, ch. 253, § 40.

### ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-40 NMSA 1978, as enacted by Laws 1963, ch. 102, § 2, relating to transfer of funds and obligations created pursuant to 1947 law, and enacted a new section, effective July 1, 1987.

**Legislative retirement plan does not violate constitution.** — The retirement benefits for which legislators may be eligible under the legislative retirement plan do not constitute legislative compensation; accordingly, the plan does not violate N.M. Const. art IV, § 10. *State ex rel. Udall v. Public Emps. Ret. Bd.*, 1995-NMSC-078, 120 N.M. 786, 907 P.2d 190, *rev'g* 1994-NMCA-094, 118 N.M. 507, 882 P.2d 548.

### **10-11-41. State legislator member coverage plan 1; amount of pension; form of payment A.**

A. Prior to January 1, 2004, under state legislator member coverage plan 1, the annual amount of pension under form of payment A is equal to two hundred fifty dollars (\$250) multiplied by credited service as a legislator or lieutenant governor, if the member served as legislator or lieutenant governor after December 31, 1959 and his service ended on or before December 31, 2002.

B. Under state legislator member coverage plan 1, the annual amount of pension under form of payment A is equal to forty dollars (\$40.00) multiplied by credited service as a legislator or lieutenant governor, if all service as a legislator or lieutenant governor is prior to January 1, 1960.

C. After December 31, 2003, under state legislator member coverage plan 1, the annual amount of pension under form of payment A is equal to:

(1) the amount in Subsection A of this section if the member makes no additional contributions pursuant to Subsection B of Section 10-11-42 NMSA 1978; or

(2) five hundred dollars (\$500) multiplied by the years of credited service as a legislator or lieutenant governor, if the state legislator member makes additional contributions by December 31, 2003 pursuant to Subsection B of Section 10-11-42 NMSA 1978.

**History:** Laws 1987, ch. 253, § 41; 2003, ch. 85, § 5.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 1987, Chapter 253 repealed former 10-11-41 NMSA 1978, as enacted by Laws 1963, ch. 102, § 3, relating to disbursement by municipalities upon assumption of plans created pursuant to 1947 law, and enacted a new section, effective July 1, 1987.

**Temporary provisions.** — Laws 2019, ch. 251, § 3, effective July 1, 2019, provided that a state legislator member who is otherwise ineligible for the pension amount in Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978 solely because of the failure to make a timely contribution pursuant to Section 10-11-42 NMSA 1978 shall be eligible for that pension amount if, before January 1, 2020, the member makes a contribution of:

- A. two hundred dollars (\$200) for each year of credited service; and
- B. interest on the amount paid pursuant to Subsection A of this section from December 31, 2003 to the date of payment at a rate to be determined by the retirement board created pursuant to the Public Employees Retirement Act.

**The 2003 amendment,** effective July 1, 2003 in Subsection A added "Prior to January 1, 2004," at the beginning and added "and his service ended on or before December 31, 2002" at the end; and inserted present Subsection C.

**Legislative retirement plan does not violate constitution.** — The retirement benefits for which legislators may be eligible under the legislative retirement plan do not constitute legislative compensation; accordingly, the plan does not violate N.M. Const. art IV, § 10. *State ex rel. Udall v. Public Emps. Ret. Bd.*, 1995-NMSC-078, 120 N.M. 786, 907 P.2d 190, *rev'g* 1994-NMCA-094, 118 N.M. 507, 882 P.2d 548.

### **10-11-42. State legislator member coverage plan 1; member contribution rate.**

A. Prior to January 1, 2004, a member under state legislator member coverage plan 1 shall contribute one hundred dollars (\$100) for each year of credited service earned after December 31, 1959.

B. To be eligible for the pension amount in Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978, a member under state legislator member coverage plan



1 must contribute one hundred dollars (\$100) for each year of credited service earned after December 31, 1959 and must make that required contribution no later than December 31, 2003.

**History:** Laws 1987, ch. 253, § 42; 2003, ch. 85, § 6.

### ANNOTATIONS

**Temporary provisions.** — Laws 2019, ch. 251, § 3, effective July 1, 2019, provided that a state legislator member who is otherwise ineligible for the pension amount in Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978 solely because of the failure to make a timely contribution pursuant to Section 10-11-42 NMSA 1978 shall be eligible for that pension amount if, before January 1, 2020, the member makes a contribution of:

- A. two hundred dollars (\$200) for each year of credited service; and
- B. interest on the amount paid pursuant to Subsection A of this section from December 31, 2003 to the date of payment at a rate to be determined by the retirement board created pursuant to the Public Employees Retirement Act.

**The 2003 amendment,** effective July 1, 2003 designated the former first paragraph as present Subsection A; added "Prior to January 1, 2004," at the beginning of present Subsection A; and added present Subsection B.

**Legislative retirement plan does not violate constitution.** — The retirement benefits for which legislators may be eligible under the legislative retirement plan do not constitute legislative compensation; accordingly, the plan does not violate N.M. Const. art IV, § 10. *State ex rel. Udall v. Public Emps. Ret. Bd.*, 1995-NMSC-078, 120 N.M. 786, 907 P.2d 190, *rev'g* 1994-NMCA-094, 118 N.M. 507, 882 P.2d 548.

### **10-11-43. State legislator member coverage plan 1; state contribution rate.**

The state shall contribute amounts sufficient to finance the membership of members under state legislator member coverage plan 1 on an actuarial reserve basis.

**History:** Laws 1987, ch. 253, § 43.

### ANNOTATIONS

**Legislative retirement plan does not violate constitution.** — The retirement benefits for which legislators may be eligible under the legislative retirement plan do not constitute legislative compensation; accordingly, the plan does not violate N.M. Const. art IV, § 10. *State ex rel. Udall v. Public Emps. Ret. Bd.*, 1995-NMSC-078, 120 N.M. 786, 907 P.2d 190, *rev'g* 1994-NMCA-094, 118 N.M. 507, 882 P.2d 548.

### **10-11-43.1. State legislator member coverage plan 2; applicability.**

State legislator member coverage plan 2 is applicable to state legislators who receive no salary for their legislative service and lieutenant governors who serve terms of office that end after December 31, 2002. To be covered under state legislator member coverage plan 2, a state legislator or lieutenant governor must elect to be a member no later than one hundred eighty days after first taking office or, for state legislators and the lieutenant governor serving on July 1, 2003, within one hundred eighty days of that date.

**History:** Laws 2003, ch. 85, § 7.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 85, § 14 made the act effective July 1, 2003.

**Temporary provisions.** — Laws 2008, ch. 71, § 1, effective May 14, 2008, provided that notwithstanding the provisions of Sections 10-11-43.1 and 10-11-43.6 NMSA 1978, a legislator or lieutenant governor serving on July 1, 2009 shall be eligible for state legislator member coverage plan 2 if, by December 31, 2008, the legislator or lieutenant governor elects to become a member and:

- A. makes a contribution in an amount that, when added to previous contributions, totals five hundred dollars (\$500) for each year of credited service earned prior to December 31, 2008; and
- B. pays interest on the amount contributed at an interest rate set by the public employees retirement board.

### **10-11-43.2. State legislator member coverage plan 2; age and service requirements for normal retirement.**

Under state legislator member coverage plan 2, the age and service requirements for normal retirement are:

- A. age sixty-five years or older and five or more years of credited service; or
- B. any age and ten or more years of credited service.

**History:** Laws 2003, ch. 85, § 8.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 85, § 14 made the act effective July 1, 2003.

### **10-11-43.3. State legislator member coverage plan 2; amount of pension; form of payment A.**

Under state legislator member coverage plan 2, the annual amount of pension under form of payment A is equal in any calendar year to fourteen percent of the per diem rate in effect, pursuant to Section 2-1-8 NMSA 1978, on the first day of the fiscal year that the legislator or lieutenant governor retires multiplied by sixty and further multiplied by credited service as a legislator or lieutenant governor. A pension paid under state legislator member coverage plan 2 shall be adjusted pursuant to Section 10-11-118 NMSA 1978 for a legislator or lieutenant governor who has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted.

**History:** Laws 2003, ch. 85, § 9; 2012, ch. 61, § 1; 2019, ch. 251, § 1; 2022, ch. 16, § 1.

#### **ANNOTATIONS**

**The 2022 amendment**, effective May 18, 2022, changed the calculation for the amount of pension pursuant to state legislator member coverage plan 2, and provided a limited opportunity to make contributions for the purpose of qualifying for a pension under state legislator member coverage plan 2; and after "any calendar year to", deleted "eleven" and added "fourteen".

**Temporary provisions.** — Laws 2022, ch. 16, § 2 provided that a state legislator member who is otherwise ineligible for the amount of pension provided in Section 10-11-43.3 NMSA 1978 solely because of the failure to make a timely election pursuant to Section 10-11-43.1 NMSA 1978 shall be eligible for that amount of pension if, before January 1, 2023, the member makes a contribution of:

- A. five hundred dollars (\$500) for each year of credited service prior to 2012;
- B. six hundred dollars (\$600) for each year of credited service from 2012 through 2018;
- C. one thousand dollars (\$1,000) for each year of credited service after 2018; and
- D. interest on the amount paid pursuant to Subsections A through C of this section from December 31, 2004 to the date of payment at a rate to be determined by the retirement board created pursuant to the Public Employees Retirement Act.

**The 2019 amendment**, effective July 1, 2019, changed "calendar year" to "fiscal year"; after "the first day of the", deleted "calendar" and added "fiscal".

**The 2012 amendment**, effective March 7, 2012, changed the date on which the pension is calculated and in the first sentence after "Section 2-1-8 NMSA 1978, on", deleted "December 31" and added "the first day".

#### **10-11-43.4. State legislator member coverage plan 2; member contribution rate.**

A member under state legislator member coverage plan 2 shall contribute an amount equal to one thousand dollars (\$1,000) for each year of credited service less the amount of any prior contributions made by the member for that credited service.

**History:** Laws 2003, ch. 85, § 10; 2012, ch. 61, § 2; 2019, ch. 251, § 2.

#### **ANNOTATIONS**

**The 2019 amendment**, effective July 1, 2019, increased contribution amounts for members under state legislator member coverage plan 2; and after "an amount equal to", deleted "six hundred dollars (\$600)" and added "one thousand dollars (\$1,000)".

**The 2012 amendment**, effective March 7, 2012, increased the state legislator contribution and after "an amount equal to", deleted "five hundred dollars (\$500)" and added "six hundred dollars (\$600)".

#### **10-11-43.5. State legislator member coverage plan 2; state contribution rate.**

The state shall contribute amounts sufficient to finance the membership of members under state legislator member coverage plan 2 on an actuarial reserve basis.

**History:** Laws 2003, ch. 85, § 11.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 85, § 14 made the act effective July 1, 2003.

#### **10-11-43.6. State legislator member coverage plan 2; contributions for service prior to 2003.**

To be eligible for state legislator member coverage plan 2, a state legislator or lieutenant governor shall make the necessary contributions by December 31, 2004 for years of credited service earned prior to January 1, 2003, in an amount that totals five hundred dollars (\$500) for each year of credited service.

**History:** Laws 2003, ch. 85, § 12.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 85, § 14 made the act effective July 1, 2003.

**Temporary provisions.** — Laws 2008, ch. 71, § 1, effective May 14, 2008, added a temporary provision that provided that notwithstanding the provisions of Sections 10-11-43.1 and 10-11-43.6 NMSA 1978, a legislator or lieutenant governor serving on July 1, 2009 shall be eligible for state legislator member coverage plan 2 if, by December 31, 2008, the legislator or lieutenant governor elects to become a member and:

A. makes a contribution in an amount that, when added to previous contributions, totals five hundred dollars (\$500) for each year of credited service earned prior to December 31, 2008; and

B. pays interest on the amount contributed at an interest rate set by the public employees retirement board.

### **10-11-44. Municipal general member coverage plan 1; applicability.**

Municipal general member coverage plan 1 is applicable to municipal general members who are not specifically covered by another coverage plan.

**History:** Laws 1987, ch. 253, § 44.

### **10-11-45. Municipal general member coverage plan 1; age and service requirements for normal retirement.**

Under municipal general member coverage plan 1:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit;
- (2) age sixty-four years and eight or more years of service credit;
- (3) age sixty-three years and eleven or more years of service credit;
- (4) age sixty-two years and fourteen or more years of service credit;
- (5) age sixty-one years and seventeen or more years of service credit;
- (6) age sixty years and twenty or more years of service credit; or
- (7) any age and twenty-five or more years of service credit; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit; or

(2) any age if the member has five or more years of service credit and the sum of the member's age and years of service credit equals at least eighty-five.

**History:** Laws 1987, ch. 253, § 45; 2009, ch. 288, § 7; 2013, ch. 225, § 31; 2020, ch. 11, § 16.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; in Subsection B, Paragraph B(1), after "older and", deleted "eight" and added "five", and in Paragraph B(2), after "member has", deleted "eight" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Subsection B, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Paragraph (1) of Subsection B, after "age", deleted "sixty-seven" and added "sixty-five" and after "older and", deleted "five" and added "eight"; in Paragraph (2) of Subsection B, after "age if", added "the member has eight or more years of service credit and" and after "at least", deleted "eighty" and added "eighty-five"; and deleted former Paragraph (3) of Subsection B, which provided that "any age and thirty or more years of service credit".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2009 amendment**, effective July 1, 2011, in Subsection A, at the beginning of the sentence, added "for a member who was a retired member or a member on June 30, 2010"; and added Subsection B.

### **10-11-46. Municipal general member coverage plan 1; amount of pension; form of payment A.**

Under municipal general member coverage plan 1, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 46; 2013, ch. 225, § 32; 2023, ch. 53, § 4.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal general member under coverage plan 1 is permitted to earn; and after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; and in the second sentence, after "shall not exceed", deleted "eighty" and added "ninety".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-47. Repealed.**

**History:** Laws 1987, ch. 253, § 47; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-47 NMSA 1978, as enacted by Laws 1987, ch. 253, § 47, relating to municipal general member coverage plan 1, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-48. Municipal general member coverage plan 1; member contribution rate.**

A member under municipal general member coverage plan 1 shall contribute seven percent of salary starting with the first full pay period in the calendar month in which municipal general member coverage plan 1 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, eight and one-half percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nine percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, nine and one-half percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, ten percent of salary; and

E. beginning July 1, 2025 and thereafter, ten and one-half percent of salary.

**History:** Laws 1987, ch. 253, § 48; 2013, ch. 225, § 33; 2020, ch. 11, § 17.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "eight and one-half percent of salary"; and added Subsections A through D.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of seven percent of salary, and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-49. Municipal general member coverage plan 1; affiliated public employer contribution rate.**

An affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal general member coverage plan 1:

A. prior to July 1, 2022, seven and sixty-five hundredths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eight and fifteen-hundredths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, eight and sixty-five hundredths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, nine and fifteen-hundredths percent of salary; and

E. beginning July 1, 2025 and thereafter, nine and sixty-five hundredths percent of salary.



**History:** Laws 1987, ch. 253, § 49; 2013, ch. 225, § 34; 2019, ch. 237, § 3; 2020, ch. 11, § 18.

## ANNOTATIONS

**The 2020 amendment,** effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "seven and sixty-five hundredths percent" and added "the following percentages"; and added new Subsections A through E.

**The 2019 amendment,** effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute seven and", deleted "four-tenths" and added "sixty-five hundredths", and after "member coverage plan 1", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be seven percent of the salary of each member".

**The 2013 amendment,** effective July 1, 2013, increased the employer contribution rate; after "contribute seven", added "and four-tenths"; and after "coverage plan 1", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-50. Municipal general member coverage plan 2; applicability.**

Municipal general member coverage plan 2 is applicable to a designated group of municipal general members the first day of the calendar month following an affirmative vote by the majority of the municipal general members in a designated group. A designated group may be all members employed by the affiliated public employer, an organizational group whose compensation is established by negotiated contract or all members employed by the affiliated public employer whose compensation is not established by negotiated contract. The election shall be conducted by the retirement board in accordance with procedures adopted by the retirement board. The procedures shall afford all municipal general members who are part of the designated group an opportunity to vote. A new election for coverage by municipal general member coverage plan 2 shall not be held prior to the expiration of six months following the date of an election which failed to adopt municipal general member coverage plan 2. An election adopting municipal general member coverage plan 2 is irrevocable for the purpose of subsequently adopting a coverage plan which would decrease employer or employee contributions with respect to all current and future municipal general employees of the affiliated public employer who are part of the designated group.

**History:** Laws 1987, ch. 253, § 50; 1989, ch. 79, § 2.

## **10-11-51. Municipal general member coverage plan 2; age and service requirements for normal retirement.**

Under municipal general member coverage plan 2:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit;
- (2) age sixty-four years and eight or more years of service credit;
- (3) age sixty-three years and eleven or more years of service credit;
- (4) age sixty-two years and fourteen or more years of service credit;
- (5) age sixty-one years and seventeen or more years of service credit;
- (6) age sixty years and twenty or more years of service credit; or
- (7) any age and twenty-five or more years of service credit; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit; or
- (2) any age if the member has five or more years of service credit and the sum of the member's age and years of service credit equals at least eighty-five.

**History:** Laws 1987, ch. 253, § 51; 2009, ch. 288, § 8; 2013, ch. 225, § 35; 2020, ch. 11, § 19.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; in Subsection B, Paragraph B(1), after "older and", deleted "eight" and added "five", and in Paragraph B(2), after "member has", deleted "eight" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Subsection B, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Paragraph (1) of Subsection B, after "age", deleted "sixty-seven" and added "sixty-five" and after "older and", deleted "five" and added "eight"; in

Paragraph (2) of Subsection B, after "age if", added "the member has eight or more years of service credit and" and after "equals at least" deleted "eighty" and added "eighty-five"; and deleted Paragraph (3) of Subsection B, which provided that "any age and thirty years of service credit".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2009 amendment**, effective July 1, 2011, in Subsection A, at the beginning of the sentence, added "for a member who was a retired member or a member on June 30, 2010"; and added Subsection B.

## **10-11-52. Municipal general member coverage plan 2; amount of pension; form of payment A.**

Under municipal general member coverage plan 2:

A. for a member with age and service requirements provided in Subsection A of Section 10-11-51 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided in Subsection B of Section 10-11-51 NMSA 1978, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by service credit. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 52; 2013, ch. 225, § 36; 2023, ch. 53, § 5.

### **ANNOTATIONS**

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal general member under coverage plan 2 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided in Subsection A of Section 10-11-51 NMSA 1978" and in the

second sentence, after "shall not exceed", deleted "seventy-five" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-53. Repealed.**

**History:** Laws 1987, ch. 253, § 5; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-53 NMSA 1978, as enacted by Laws 1987, ch. 253, § 53, relating to municipal general member coverage plan 2, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-54. Municipal general member coverage plan 2; member contribution rate.**

A member under municipal general member coverage plan 2 shall contribute nine and fifteen-hundredths percent of salary starting with the first full pay period in the calendar month in which municipal general member coverage plan 2 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, ten and sixty-five hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and fifteen-hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, eleven and sixty-five hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and fifteen-hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twelve and sixty-five hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 54; 2013, ch. 225, § 37; 2020, ch. 11, § 20.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "ten and sixty-five hundredths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of nine and fifteen one-hundredths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-55. Municipal general member coverage plan 2; affiliated public employer contribution rate.**

An affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal general member coverage plan 2:

- A. prior to July 1, 2022, nine and eight-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, ten and three-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, ten and eight-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, eleven and three-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, eleven and eight-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 55; 2013, ch. 225, § 38; 2019, ch. 237, § 4; 2020, ch. 11, § 21.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "nine and eight-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "nine and fifty-five hundredths" and added "nine and eight-tenths", and after "member coverage plan 2", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be nine and fifteen-hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute nine and", deleted "fifteen one-hundredths" and added "fifty-five hundredths"; and after "coverage plan 2", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-55.1. Municipal general member coverage plan 3; applicability.**

**History:** Laws 1998, ch. 106, § 4; repealed by Laws 2009, ch. 288, § 20.

Municipal general member coverage plan 3 is applicable to a designated group of municipal general members the first day of the calendar month following an affirmative vote by the majority of the municipal general members in a designated group. A designated group may be all members employed by the affiliated public employer, an organizational group whose compensation is established by negotiated contract or all members employed by the affiliated public employer, whose compensation is not established by negotiated contract. The election shall be conducted by the retirement board in accordance with procedures adopted by the retirement board. The procedures shall afford all municipal general members who are part of the designated group an opportunity to vote. A new election for coverage by municipal general member coverage plan 3 shall not be held prior to the expiration of six months following the date of an election which failed to adopt municipal general member coverage plan 3. An election adopting municipal general member coverage plan 3 is irrevocable for the purpose of subsequently adopting a coverage plan that would decrease employer or employee contributions with respect to all current and future municipal general employees of the affiliated public employer who are part of the designated group. All elections for the purpose of adopting municipal general member coverage plan 3 shall take place prior to July 1, 1995. Any election occurring after June 30, 1995 shall be null, void and of no effect.

**History:** 1978 Comp., § 10-11-55.1, enacted by Laws 1993, ch. 58, § 1.

### **10-11-55.2. Municipal general member coverage plan 3; age and service requirements for normal retirement.**

Under municipal general member coverage plan 3:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit;
- (2) age sixty-four years and eight or more years of service credit;
- (3) age sixty-three years and eleven or more years of service credit;
- (4) age sixty-two years and fourteen or more years of service credit;
- (5) age sixty-one years and seventeen or more years of service credit;
- (6) age sixty years and twenty or more years of service credit; or
- (7) any age and twenty-five or more years of service credit; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit; or
- (2) any age if the member has five or more years of service credit and the sum of the member's age and years of service credit equals at least eighty-five.

**History:** 1978 Comp., § 10-11-55.2, enacted by Laws 1993, ch. 58, § 2; 2009, ch. 288, § 9; 2013, ch. 225, § 39; 2020, ch. 11, § 22.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; in Subsection B, Paragraph B(1), after "older and", deleted "eight" and added "five", and in Paragraph B(2), after "member has", deleted "eight" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Subsection B, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Paragraph (1) of Subsection B, after "age", deleted "sixty-seven" and added "sixty-five" and after "older and", deleted "five" and added "eight"; in Paragraph (2) of Subsection B, after "age if", added "the member has eight or more years of service credit and" and after "equals at least" deleted "eighty" and added "eighty-five"; and deleted Paragraph (3) of Subsection B, which provided that "any age and thirty years of service credit".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2009 amendment,** effective July 1, 2011, in Subsection A, at the beginning of the sentence, added "for a member who was a retired member or a member on June 30, 2010"; and added Subsection B.

### **10-11-55.3. Municipal general member coverage plan 3; amount of pension; form of payment A.**

Under municipal general member coverage plan 3:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-55.2 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-55.2 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** 1978 Comp., § 10-11-55.3, enacted by Laws 1993, ch. 58, § 3; 2013, ch. 225, § 40; 2023, ch. 53, § 6.

### **ANNOTATIONS**

**The 2023 amendment,** effective June 16, 2023, increased the maximum amount of pension that a municipal general member under coverage plan 3 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment,** effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-55.2 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "eighty" and added "ninety"; and added Subsection B.



**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

#### **10-11-55.4. Repealed.**

**History:** 1978 Comp., § 10-11-55.4, enacted by Laws 1993, ch. 58, § 4; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-55.4 NMSA 1978, as enacted by Laws 1993, ch. 58, § 4, relating to municipal general member coverage plan 3, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

#### **10-11-55.5. Municipal general member coverage plan 3; member contribution rate.**

A member under municipal general member coverage plan 3 shall contribute thirteen and fifteen-hundredths percent of salary starting with the first full pay period in the calendar month in which municipal general member coverage plan 3 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, fourteen and sixty-five hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, fifteen and fifteen-hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, fifteen and sixty-five hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, sixteen and fifteen-hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, sixteen and sixty-five hundredths percent of salary.

**History:** 1978 Comp., § 10-11-55.5, enacted by Laws 1993, ch. 58, § 5; 2013, ch. 225, § 41; 2020, ch. 11, § 23.

#### **ANNOTATIONS**

**The 2020 amendment,** effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than

twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "fourteen and sixty-five hundredths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section which provided for employee contributions at a rate of thirteen and fifteen one-hundredths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-55.6. Municipal general member coverage plan 3; affiliated public employer contribution rate.**

An affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal general member coverage plan 3:

- A. prior to July 1, 2022, nine and eight-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, ten and three-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, ten and eight-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, eleven and three-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, eleven and eight-tenths percent of salary.

**History:** 1978 Comp., § 10-11-55.6, enacted by Laws 1993, ch. 58, § 6; 2013, ch. 225, § 42; 2019, ch. 237, § 5; 2020, ch. 11, § 24.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "nine and eight-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "nine and fifty-five hundredths" and added "nine and eight-tenths", and after "member coverage plan 3", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be nine and fifteen-hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute nine and", deleted "fifteen one-hundredths" and added "fifty-five hundredths"; and after "coverage plan 3", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-55.7. Municipal general member coverage plan 4; applicability.**

Municipal general member coverage plan 4 is applicable to a designated group of municipal general members the first day of the calendar month following an affirmative vote by the majority of the municipal general members in a designated group. A designated group may be all members employed by the affiliated public employer, an organizational group whose compensation is established by negotiated contract or all members employed by the affiliated public employer, whose compensation is not established by negotiated contract. The election shall be conducted by the retirement board in accordance with the procedures adopted by the retirement board. The procedures shall afford all municipal general members who are part of the designated group an opportunity to vote. A new election for coverage by municipal general member coverage plan 4 shall not be held prior to the expiration of six months following the date of an election that failed to adopt municipal general member coverage plan 4. An election adopting municipal general member coverage plan 4 is irrevocable for the purpose of subsequently adopting a coverage plan that would decrease employer or employee contributions with respect to all current and future municipal general employees of the affiliated public employer who are part of the designated group. All elections for the purpose of adopting municipal general member coverage plan 4 shall take place prior to July 1, 2000. Any election occurring after June 30, 2000 shall be void.

**History:** Laws 1998, ch. 106, § 1; 1999, ch. 38, § 1.

### **ANNOTATIONS**

**The 1999 amendment**, effective June 18, 1999, substituted "2000" for "1999" in the last two sentences.

## **10-11-55.8. Municipal general member coverage plan 4; age and service requirements for normal retirement.**

Under municipal general member coverage plan 4:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit;
- (2) age sixty-four years and eight or more years of service credit;
- (3) age sixty-three years and eleven or more years of service credit;
- (4) age sixty-two years and fourteen or more years of service credit;
- (5) age sixty-one years and seventeen or more years of service credit;
- (6) age sixty years and twenty or more years of service credit; or
- (7) any age and twenty-five or more years of service credit; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of service credit; or
- (2) any age if the member has five or more years of service credit and the sum of the member's age and years of service credit equals at least eighty-five.

**History:** Laws 1998, ch. 106, § 2; 2009, ch. 288, § 10; 2013, ch. 225, § 43; 2020, ch. 11, § 25.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "eight" and added "five", and in Paragraph B(2), after "member has", deleted "eight" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Subsection B, in the introductory sentence, after "June 30", deleted "2010" and added "2013"; in Paragraph (1) of Subsection B, after "age", deleted "sixty-seven" and added "sixty-five" and after "older and", deleted "five" and added "eight"; in

Paragraph (2) of Subsection B, after "age if", added "the member has eight or more years of service credit and" and after "equals at least" deleted "eighty" and added "eighty-five"; and deleted Paragraph (3) of Subsection B, which provided that "any age and thirty years of service credit".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2009 amendment**, effective July 1, 2011, in Subsection A, at the beginning of the sentence, added "for a member who was a retired member or a member on June 30, 2010"; and added Subsection B.

### **10-11-55.9. Municipal general member coverage plan 4; amount of pension; form of payment A.**

Under municipal general member coverage plan 4:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-55.8 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-55.8 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1998, ch. 106, § 3; 2013, ch. 225, § 44; 2023, ch. 53, § 7.

### **ANNOTATIONS**

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal general member under coverage plan 4 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-55.8 NMSA 1978" and in

the second sentence, after "shall not exceed", deleted "eighty" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-55.10. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-55.10 NMSA 1978, as enacted by Laws 1998, ch. 106, § 4, relating to municipal general member coverage plan 4, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA on *NMOneSource.com*.

### **10-11-55.11. Municipal general member coverage plan 4; member contribution rate.**

A member under municipal general member coverage plan 4 shall contribute fifteen and sixty-five hundredths percent of salary starting with the first full pay period in the calendar month in which municipal general member coverage plan 4 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, seventeen and fifteen hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, seventeen and sixty-five hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, eighteen and fifteen hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, eighteen and sixty-five hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, nineteen and fifteen hundredths percent of salary.

**History:** Laws 1998, ch. 106, § 5; 2013, ch. 225, § 45; 2020, ch. 11, § 26.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the

increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "seventeen and fifteen-hundredths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of fifteen and sixty-five hundredths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-55.12. Municipal general member coverage plan 4; affiliated public employer contribution rate.**

An affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal general member coverage plan 4:

- A. prior to July 1, 2022, twelve and three-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, twelve and eight-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, thirteen and three-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, thirteen and eight-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, fourteen and three-tenths percent of salary.

**History:** Laws 1998, ch. 106, § 6; 2013, ch. 225, § 46; 2019, ch. 237, § 6; 2020, ch. 11, § 27.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "twelve and three-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute twelve and", deleted "five hundredths" and added "three-tenths", and after "member coverage plan 4", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be eleven and sixty-five hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute", deleted "eleven and sixty-five hundredths" and added "twelve and five-hundredths"; and after "coverage plan 4", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-56. Municipal police member coverage plan 1; applicability.**

Municipal police member coverage plan 1 is applicable to municipal police members whose affiliated public employer has adopted municipal police member coverage plan 1 for its municipal police officers. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

**History:** Laws 1987, ch. 253, § 56.

### **10-11-57. Municipal police member coverage plan 1; age and service requirements for normal retirement.**

Under municipal police member coverage plan 1:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service;
- (6) age sixty years and twenty or more years of credited service; or
- (7) any age and twenty-five or more years of credited service; and



B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 57; 2013, ch. 225, § 47; 2020, ch. 11, § 28.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-58. Municipal police member coverage plan 1; amount of pension; form of payment A.**

Under municipal police member coverage plan 1, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 58; 2013, ch. 225, § 48; 2023, ch. 53, § 8.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal police member under coverage plan 1 is permitted to earn; and after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; and in the second sentence, after "shall not exceed", changed "eighty" to "ninety".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

## **10-11-59. Repealed.**

**History:** Laws 1987, ch. 253, § 59; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-59 NMSA 1978, as enacted by Laws 1987, ch. 253, § 59, relating to municipal police member coverage plan 1, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

## **10-11-60. Municipal police member coverage plan 1; member contribution rate.**

A member under municipal police member coverage plan 1 shall contribute seven percent of salary starting with the first full pay period in the calendar month in which municipal police member coverage plan 1 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, eight and one-half percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nine percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, nine and one-half percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, ten percent of salary; and
- E. beginning July 1, 2025 and thereafter, ten and one-half percent of salary.

**History:** Laws 1987, ch. 253, § 60; 2013, ch. 225, § 49; 2020, ch. 11, § 29.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars

(\$25,000)", and after "shall contribute", deleted "eight and one-half percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section which provided for employee contributions at a rate of seven percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-61. Municipal police member coverage plan 1; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal police member coverage plan 1:

- A. prior to July 1, 2022, ten and sixty-five hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and fifteen-hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, eleven and sixty-five hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and fifteen-hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twelve and sixty-five hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 61; 2013, ch. 225, § 50; 2019, ch. 237, § 7; 2020, ch. 11, § 30.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "ten and sixty-five hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute ten and", deleted "four-tenths" and added "sixty-five hundredths", and after "member

coverage plan 1", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be ten percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute ten", added "and four-tenths"; and after "coverage plan 1", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-62. Municipal police member coverage plan 2; applicability.**

Municipal police member coverage plan 2 is applicable to municipal police members whose affiliated public employer has adopted municipal police member coverage plan 2 for its municipal police officers. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

**History:** Laws 1987, ch. 253, § 62.

### **10-11-63. Municipal police member coverage plan 2; age and service requirements for normal retirement.**

Under municipal police coverage plan 2:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service;
- (6) age sixty years and twenty or more years of credited service; or
- (7) any age and twenty-five or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 63; 2013, ch. 225, § 51; 2020, ch. 11, § 31.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-64. Municipal police member coverage plan 2; amount of pension; form of payment A.**

Under municipal police member coverage plan 2:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-63 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-63 NMSA 1978, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 64; 2013, ch. 225, § 52; 2023, ch. 53, § 9.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal police member under coverage plan 2 is permitted to earn; in Subsection A, after "shall not exceed", deleted "ninety" and added "one hundred"; and in Subsection B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment,** effective July 1, 2013, decreased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-63 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "one hundred" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-65. Repealed.**

**History:** Laws 1987, ch. 253, § 65; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-65 NMSA 1978, as enacted by Laws 1987, ch. 253, § 65, relating to municipal police member coverage plan 2, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-66. Municipal police member coverage plan 2; member contribution rate.**

A member under municipal police member coverage plan 2 shall contribute seven percent of salary with the first full pay period in the calendar month in which municipal police member coverage plan 2 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, eight and one-half percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nine percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, nine and one-half percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, ten percent of salary; and

E. beginning July 1, 2025 and thereafter, ten and one-half percent of salary.

**History:** Laws 1987, ch. 253, § 66; 2013, ch. 225, § 53; 2020, ch. 11, § 32.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "eight and one-half percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section which provided for employee contributions at a rate of seven percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-67. Municipal police member coverage plan 2; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal police member coverage plan 2:

- A. prior to July 1, 2022, fifteen and sixty-five hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, sixteen and fifteen-hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, sixteen and sixty-five hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, seventeen and fifteen-hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, seventeen and sixty-five hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 67; 2013, ch. 225, § 54; 2019, ch. 237, § 8; 2020, ch. 11, § 33.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "fifteen and sixty-five hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute fifteen and", deleted "four-tenths" and added "sixty-five hundredths", and after "member coverage plan 2", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be fifteen percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute fifteen", added "and four-tenths"; and after "coverage plan 2", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-68. Municipal police member coverage plan 3; applicability.**

Municipal police member coverage plan 3 is applicable to municipal police members whose affiliated public employer has adopted municipal police member coverage plan 3 for its municipal police officers. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

**History:** Laws 1987, ch. 253, § 68.

### **10-11-69. Municipal police member coverage plan 3; age and service requirements for normal retirement.**

Under municipal police member coverage plan 3:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;



- (5) age sixty-one years and seventeen or more years of credited service; or
- (6) any age and twenty or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 69; 2013, ch. 225, § 55; 2020, ch. 11, § 34.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-70. Municipal police member coverage plan 3; amount of pension; form of payment A.**

Under municipal police member coverage plan 3:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-69 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-69 NMSA 1978, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 70; 2013, ch. 225, § 56; 2023, ch. 53, § 10.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal police member under coverage plan 3 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, decreased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, at the beginning of the sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-69 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "one hundred" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

## **10-11-71. Repealed.**

**History:** Laws 1987, ch. 253, § 71; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-71 NMSA 1978, as enacted by Laws 1987, ch. 253, § 71, relating to municipal police member coverage plan 3, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

## **10-11-72. Municipal police member coverage plan 3; member contribution rate.**

A member under municipal police member coverage plan 3 shall contribute seven percent of salary with the first full pay period in the calendar month in which municipal police member coverage plan 3 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, eight and one-half percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nine percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, nine and one-half percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, ten percent of salary; and

E. beginning July 1, 2025 and thereafter, ten and one-half percent of salary.

**History:** Laws 1987, ch. 253, § 72; 2013, ch. 225, § 57; 2020, ch. 11, § 35.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "eight and one-half percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section which provided for employee contributions at a rate of seven percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-73. Municipal police member coverage plan 3; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal police member coverage plan 3:

A. prior to July 1, 2022, nineteen and fifteen-hundredths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, nineteen and sixty-five hundredths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twenty and fifteen-hundredths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twenty and sixty-five hundredths percent of salary; and

E. beginning July 1, 2025 and thereafter, twenty-one and fifteen-hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 73; 2013, ch. 225, § 58; 2019, ch. 237, § 9; 2020, ch. 11, § 36.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "nineteen and fifteen-hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "eighteen and nine-tenths" and added "nineteen and fifteen-hundredths", and after "member coverage plan 3", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be eighteen and one-half percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute eighteen and", deleted "one-half" and added "nine-tenths"; and after "coverage plan 3", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-74. Municipal police member coverage plan 4; applicability.**

Municipal police member coverage plan 4 is applicable to municipal police members of an affiliated public employer on the first day of the calendar month following certification of the election adopting municipal police member coverage plan 4 by an affirmative vote of the majority of the affiliated public employer's municipal police members. The election shall be conducted by the affiliated public employer. The certification shall be in the form prescribed by the retirement board. The election procedures shall afford all municipal police members of the affiliated public employer an opportunity to vote. An election adopting municipal police member coverage plan 4 for a given affiliated public employer is irrevocable for the purpose of subsequently adopting a coverage plan which would decrease employer or employee contributions with respect to all current and future municipal police members of that affiliated public employer.

**History:** Laws 1987, ch. 253, § 74; 1989, ch. 79, § 3.

### **10-11-75. Municipal police member coverage plan 4; age and service requirements for normal retirement.**

Under municipal police member coverage plan 4:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service; or
- (6) any age and twenty or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 75; 2013, ch. 225, § 59; 2020, ch. 11, § 37.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-76. Municipal police member coverage plan 4; amount of pension; form of payment A.**

Under municipal police member coverage plan 4:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-75 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-75 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 76; 2013, ch. 225, § 60; 2023, ch. 53, § 11.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal police member under coverage plan 4 is permitted to earn; in the section heading, deleted "pension" and added "payment"; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-75 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "eighty" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### 10-11-77. Repealed.

**History:** Laws 1987, ch. 253, § 77; repealed by Laws 2009, ch. 288, § 20.

### ANNOTATIONS

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-77 NMSA 1978, as enacted by Laws 1987, ch. 253, § 77, relating to municipal police member coverage plan 4, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

## **10-11-78. Municipal police member coverage plan 4; member contribution rate.**

A member under municipal police member coverage plan 4 shall contribute twelve and thirty-five hundredths percent of salary starting with the first full pay period in the calendar month in which municipal police member coverage plan 4 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

A. prior to July 1, 2022, thirteen and eighty-five hundredths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, fourteen and thirty-five hundredths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, fourteen and eighty-five hundredths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, fifteen and thirty-five hundredths percent of salary; and

E. beginning July 1, 2025 and thereafter, fifteen and eighty-five hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 78; 2013, ch. 225, § 61; 2020, ch. 11, § 38.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "thirteen and eighty-five hundredths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of twelve and thirty-five one-hundredths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

## **10-11-79. Municipal police member coverage plan 4; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal police member coverage plan 4:

- A. prior to July 1, 2022, nineteen and fifteen-hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nineteen and sixty-five hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, twenty and fifteen-hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twenty and sixty-five hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twenty-one and fifteen-hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 79; 2013, ch. 225, § 62; 2019, ch. 237, § 10; 2020, ch. 11, § 39.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "nineteen and fifteen-hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "eighteen and nine-tenths" and added "nineteen and fifteen-hundredths", and after "member coverage plan 4", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be eighteen and one-half percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute eighteen and", deleted "one-half" and added "nine-tenths"; and after "coverage plan 4", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.



## **10-11-80. Municipal police member coverage plan 5; applicability.**

Municipal police member coverage plan 5 is applicable to municipal police members of an affiliated public employer on the first day of the calendar month following certification of the election adopting municipal police member coverage plan 5 by an affirmative vote of the majority of the affiliated public employer's municipal police members. The election shall be conducted by the affiliated public employer. The certification shall be in the form prescribed by the retirement board. The election procedures shall afford all municipal police members of the affiliated public employer an opportunity to vote. An election adopting municipal police member coverage plan 5 for a given affiliated public employer is irrevocable for the purpose of subsequently adopting a coverage plan which would decrease employer or employee contributions with respect to all current and future municipal police members of that affiliated public employer.

**History:** Laws 1987, ch. 253, § 80; 1989, ch. 79, § 4.

## **10-11-81. Municipal police member coverage plan 5; age and service requirements for normal retirement.**

Under municipal police member coverage plan 5:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service; or
- (6) any age and twenty or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 81; 2013, ch. 225, § 63; 2020, ch. 11, § 40.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-82. Municipal police member coverage plan 5; amount of pension; form of payment A.**

Under municipal police member coverage plan 5:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-81 NMSA 1978, the amount of pension under form of payment A is equal to three and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-81 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 82; 2013, ch. 225, § 64; 2023, ch. 53, § 12.

### **ANNOTATIONS**

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal police member under coverage plan 5 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-81 NMSA 1978" and in the

second sentence, after "shall not exceed", deleted "eighty" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-83. Repealed.**

**History:** Laws 1987, ch. 253, § 83; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-83 NMSA 1978, as enacted by Laws 1987, ch. 253, § 83, relating to municipal police member coverage plan 5, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-84. Municipal police member coverage plan 5; member contribution rate.**

A member under municipal police member coverage plan 5 shall contribute sixteen and three-tenths percent of salary starting with the first full pay period in the calendar month in which municipal police member coverage plan 5 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, seventeen and eight-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, eighteen and three-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, eighteen and eight-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, nineteen and three-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, nineteen and eight-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 84; 2013, ch. 225, § 65; 2020, ch. 11, § 41.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "seventeen and eight-tenths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of sixteen and three-tenths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-85. Municipal police member coverage plan 5; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and who is covered under municipal police member coverage plan 5:

- A. prior to July 1, 2022, nineteen and fifteen-hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nineteen and sixty-five hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, twenty and fifteen-hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twenty and sixty-five hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twenty-one and fifteen-hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 85; 2013, ch. 225, § 66; 2019, ch. 237, § 11; 2020, ch. 11, § 42.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after

"shall contribute", deleted "nineteen and fifteen-hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "eighteen and nine-tenths" and added "nineteen and fifteen-hundredths", and after "member coverage plan 5", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be eighteen and one-half percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute eighteen and", deleted "one-half" and added "nine-tenths"; and after "coverage plan 5", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-86. Municipal fire member coverage plan 1; applicability.**

Municipal fire member coverage plan 1 is applicable to municipal fire members whose affiliated public employer has adopted municipal fire member coverage plan 1 for its municipal firefighters. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

**History:** Laws 1987, ch. 253, § 86.

### **10-11-87. Municipal fire member coverage plan 1; age and service requirements for normal retirement.**

Under municipal fire member coverage plan 1:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service;
- (6) age sixty years and twenty or more years of credited service; or

(7) any age and twenty-five or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

(1) age sixty years or older and five or more years of service credit; or

(2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 87; 2013, ch. 225, § 67; 2020, ch. 11, § 43.

### ANNOTATIONS

**The 2020 amendment,** effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment,** effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-88. Municipal fire member coverage plan 1; amount of pension; form of payment A.**

Under municipal fire member coverage plan 1, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 88; 2013, ch. 225, § 68; 2023, ch. 53, § 13.

### ANNOTATIONS

**The 2023 amendment,** effective June 16, 2023, increased the maximum amount of pension that a municipal fire member under coverage plan 1 is permitted to earn; and after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; and in the second sentence, after "shall not exceed", deleted "sixty" and added "ninety".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-89. Repealed.**

**History:** Laws 1987, ch. 253, § 89; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-89 NMSA 1978, as enacted by Laws 1987, ch. 253, § 89, relating to municipal fire member coverage plan 1, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-90. Municipal fire member coverage plan 1; member contribution rate.**

A member under municipal fire member coverage plan 1 shall contribute eight percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 1 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and

E. beginning July 1, 2025 and thereafter, thirteen percent of salary.

**History:** Laws 1987, ch. 253, § 90; 1998, ch. 114, § 1; 2013, ch. 225, § 69; 2020, ch. 11, § 44; 2021, ch. 38, § 2.

### **ANNOTATIONS**

**The 2021 amendment**, effective July 1, 2021, increased employee contribution rates for members under municipal fire member coverage plan 1; in Subsection A, deleted "prior to July 1, 2022, nine and one-half" and added "beginning July 1, 2021 and continuing through June 30, 2022, eleven"; in Subsection B, after "June 30, 2023", changed "ten" to "eleven and one-half"; in Subsection C, after "June 30, 2024", changed "ten and one-half" to "twelve"; in Subsection D, after "June 30, 2025", changed "eleven" to "twelve and one-half"; and in Subsection E, after "thereafter", changed "eleven and one-half" to "thirteen".

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "nine and one-half percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of eight percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "eight" for "seven" near the end of the section.

### **10-11-91. Municipal fire member coverage plan 1; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and covers under municipal fire member coverage plan 1:

- A. prior to July 1, 2022, eleven and sixty-five hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, twelve and fifteen-hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, twelve and sixty-five hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, thirteen and fifteen-hundredths percent of salary; and



E. beginning July 1, 2025 and thereafter, thirteen and sixty-five hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 91; 1998, ch. 114, § 2; 2013, ch. 225, § 70; 2019, ch. 237, § 12; 2020, ch. 11, § 45.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "eleven and sixty-five hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute eleven and", deleted "four-tenths" and added "sixty-five hundredths", and after "member coverage plan 1", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be eleven percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute eleven", added "and four-tenths"; and after "coverage plan 1", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "eleven" for "ten" near the beginning and substituted "whom" for "which" near the end of the section.

### **10-11-92. Municipal fire member coverage plan 2; applicability.**

Municipal fire member coverage plan 2 is applicable to municipal fire members whose affiliated public employer has adopted municipal fire member coverage plan 2 for its municipal fire members. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

**History:** Laws 1987, ch. 253, § 92.

### **10-11-93. Municipal fire member coverage plan 2; age and service requirements for normal retirement.**

Under municipal fire member coverage plan 2:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service;
- (6) age sixty years and twenty or more years of credited service; or
- (7) any age and twenty-five or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 93; 2013, ch. 225, § 71; 2020, ch. 11, § 46.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; in Subsection B, in Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-94. Municipal fire member coverage plan 2; amount of pension; form of payment A.**

Under municipal fire member coverage plan 2:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-93 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-93 NMSA 1978, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 94; 2013, ch. 225, § 72; 2023, ch. 53, § 14.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal fire member under coverage plan 2 is permitted to earn; in the introductory clause, after "member", deleted "contribution" and added "coverage"; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, decreased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-93 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "one hundred" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### 10-11-95. Repealed.

**History:** Laws 1987, ch. 253, § 95; repealed by Laws 2009, ch. 288, § 20.

### ANNOTATIONS

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-95 NMSA 1978, as enacted by Laws 1987, ch. 253, § 95, relating to municipal fire member coverage plan 2, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

## **10-11-96. Municipal fire member coverage plan 2; member contribution rate.**

A member under municipal fire member coverage plan 2 shall contribute eight percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 2 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and

E. beginning July 1, 2025 and thereafter, thirteen percent of salary.

**History:** Laws 1987, ch. 253, § 96; 1998, ch. 114, § 3; 2013, ch. 225, § 73; 2020, ch. 11, § 47; 2021, ch. 38, § 3.

### **ANNOTATIONS**

**The 2021 amendment**, effective July 1, 2021, increased employee contribution rates for members under municipal fire member coverage plan 2; in Subsection A, deleted "prior to July 1, 2022, nine and one-half" and added "beginning July 1, 2021 and continuing through June 30, 2022, eleven"; in Subsection B, after "June 30, 2023", changed "ten" to "eleven and one-half"; in Subsection C, after "June 30, 2024", changed "ten and one-half" to "twelve"; in Subsection D, after "June 30, 2025", changed "eleven" to "twelve and one-half"; and in Subsection E, after "thereafter", changed "eleven and one-half" to "thirteen".

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "nine and one-half percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of eight percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "eight" for "seven" near the end of the section.

### **10-11-97. Municipal fire member coverage plan 2; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and covers under municipal fire member coverage plan 2:

- A. prior to July 1, 2022, eighteen and fifteen-hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, eighteen and sixty-five hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, nineteen and fifteen-hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, nineteen and sixty-five hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twenty and fifteen-hundredths percent of salary.

**History:** Laws 1987, ch. 253, § 97; 1998, ch. 114, § 4; 2013, ch. 225, § 74; 2019, ch. 237, § 13; 2020, ch. 11, § 48.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "eighteen and fifteen-hundredths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute", deleted "seventeen and nine-tenths" and added "eighteen and fifteen-hundredths", and after "member coverage plan 2", deleted "except that, from July 1, 2013 through June

30, 2014, the affiliated public employer contribution rate shall be seventeen and one-half percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute seventeen and", deleted "one-half" and added "nine-tenths"; and after "coverage plan 2", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "seventeen" for "sixteen" near the beginning of the section; substituted "whom" for "which" near the middle of the section.

### **10-11-98. Municipal fire member coverage plan 3; applicability.**

Municipal fire member coverage plan 3 is applicable to municipal fire members whose affiliated public employer has adopted municipal fire member coverage plan 3 for its municipal firefighters. The affiliated public employer shall certify this adoption to the retirement board in the form prescribed by the retirement board.

**History:** Laws 1987, ch. 253, § 98.

### **10-11-99. Municipal fire member coverage plan 3; age and service requirements for normal retirement.**

Under municipal fire member coverage plan 3:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service; or
- (6) any age and twenty or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 99; 2013, ch. 225, § 75; 2020, ch. 11, § 49.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-100. Municipal fire member coverage plan 3; amount of pension; form of payment A.**

Under municipal fire member coverage plan 3:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-99 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-99 NMSA 1978, the amount of pension under form of payment A is equal to two percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 100; 2013, ch. 225, § 76; 2023, ch. 53, § 15.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal fire member under coverage plan 3 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment,** effective July 1, 2013, decreased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-99 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "one hundred" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-101. Repealed.**

**History:** Laws 1987, ch. 253, § 101; repealed by Laws 2009, ch. 288, § 20.

## **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-101 NMSA 1978, as enacted by Laws 1987, ch. 253, § 101, relating to municipal fire member coverage plan 3, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-102. Municipal fire member coverage plan 3; member contribution rate.**

A member under municipal fire member coverage plan 3 shall contribute eight percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 3 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, eleven percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, eleven and one-half percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twelve percent of salary;



D. beginning July 1, 2024 and continuing through June 30, 2025, twelve and one-half percent of salary; and

E. beginning July 1, 2025 and thereafter, thirteen percent of salary.

**History:** Laws 1987, ch. 253, § 102; 1998, ch. 114, § 5; 2013, ch. 225, § 77; 2020, ch. 11, § 50; 2021, ch. 38, § 4.

## ANNOTATIONS

**The 2021 amendment**, effective July 1, 2021, increased employee contribution rates for members under municipal fire member coverage plan 3; in Subsection A, deleted "prior to July 1, 2022, nine and one-half" and added "beginning July 1, 2021 and continuing through June 30, 2022, eleven"; in Subsection B, after "June 30, 2023", changed "ten" to "eleven and one-half"; in Subsection C, after "June 30, 2024", changed "ten and one-half" to "twelve"; in Subsection D, after "June 30, 2025", changed "eleven" to "twelve and one-half"; and in Subsection E, after "thereafter", changed "eleven and one-half" to "thirteen".

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "nine and one-half percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of eight percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "eight" for "seven" near the end of the section.

### **10-11-103. Municipal fire member coverage plan 3; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and covers under municipal fire member coverage plan 3:

A. prior to July 1, 2022, twenty-one and nine-tenths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, twenty-two and four-tenths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, twenty-two and nine-tenths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, twenty-three and four-tenths percent of salary; and

E. beginning July 1, 2025 and thereafter, twenty-three and nine-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 103; 1998, ch. 114, § 6; 2013, ch. 225, § 78; 2019, ch. 237, § 14; 2020, ch. 11, § 51.

### ANNOTATIONS

**The 2020 amendment,** effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "twenty-one and nine-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment,** effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute twenty-one and", deleted "sixty-five hundredths" and added "nine-tenths", and after "member coverage plan 3", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be twenty-one and twenty-five hundredths percent of the salary of each member".

**The 2013 amendment,** effective July 1, 2013, increased the employer contribution rate; after "contribute twenty-one and", deleted "twenty-five one-hundredths" and added "sixty-five hundredths"; and after "coverage plan 3", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment,** effective May 20, 1998, substituted "twenty-one" for "twenty" near the beginning of the section, substituted "whom" for "which" near the middle of the section, and substituted "covers" for "who is covered" near the end of the section.

### **10-11-104. Municipal fire member coverage plan 4; applicability.**

Municipal fire member coverage plan 4 is applicable to municipal fire members of an affiliated public employer on the first day of the calendar month following certification of

the election adopting municipal fire member coverage plan 4 by an affirmative vote of the majority of the affiliated public employer's municipal fire members. The election shall be conducted by the affiliated public employer. The certification shall be in the form prescribed by the retirement board. The election procedures shall afford all municipal fire members of the affiliated public employer an opportunity to vote. An election adopting municipal fire member coverage plan 4 for a given affiliated public employer is irrevocable for the purpose of subsequently adopting a coverage plan which would decrease employer or employee contributions with respect to all current and future municipal fire members of that affiliated public employer.

**History:** Laws 1987, ch. 253, § 104; 1989, ch. 79, § 5.

### **10-11-105. Municipal fire member coverage plan 4; age and service requirements for normal retirement.**

Under municipal fire member coverage plan 4:

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service; or
- (6) any age and twenty or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 105; 2013, ch. 225, § 79; 2020, ch. 11, § 52.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-106. Municipal fire member coverage plan 4; amount of pension; form of payment A.**

Under municipal fire member coverage plan 4:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-105 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-105 NMSA 1978, the amount of pension under form of payment A is equal to two and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 106; 2013, ch. 225, § 80; 2023, ch. 53, § 16.

### **ANNOTATIONS**

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal fire member under coverage plan 4 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, decreased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-105 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "one hundred" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-107. Repealed.**

**History:** Laws 1987, ch. 253, § 107; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-107 NMSA 1978, as enacted by Laws 1987, ch. 253, § 107, relating to municipal fire member coverage plan 4, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-108. Municipal fire member coverage plan 4; member contribution rate.**

A member under municipal fire member coverage plan 4 shall contribute twelve and eight-tenths percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 4 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

A. beginning July 1, 2021 and continuing through June 30, 2022, fifteen and eight-tenths percent of salary;

B. beginning July 1, 2022 and continuing through June 30, 2023, sixteen and three-tenths percent of salary;

C. beginning July 1, 2023 and continuing through June 30, 2024, sixteen and eight-tenths percent of salary;

D. beginning July 1, 2024 and continuing through June 30, 2025, seventeen and three-tenths percent of salary; and

E. beginning July 1, 2025 and thereafter, seventeen and eight-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 108; 1998, ch. 114, § 7; 2013, ch. 225, § 81; 2020, ch. 11, § 53; 2021, ch. 38, § 5.

#### **ANNOTATIONS**

**The 2021 amendment**, effective July 1, 2021, increased employee contribution rates for members under municipal fire member coverage plan 4; in Subsection A, deleted

"prior to July 1, 2022, fourteen and three-tenths" and added "beginning July 1, 2021 and continuing through June 30, 2022, fifteen and eight-tenths"; in Subsection B, after "June 30, 2023", changed "fourteen and eight-tenths" to "sixteen and three-tenths"; in Subsection C, after "June 30, 2024", changed "fifteen and three-tenths" to "sixteen and eight-tenths"; in Subsection D, after "June 30, 2025", changed "fifteen and eight-tenths" to "seventeen and three-tenths"; and in Subsection E, after "thereafter", changed "sixteen and three-tenths" to "seventeen and eight-tenths".

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "fourteen and three-tenths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of twelve and eight-tenths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "twelve" for "eleven" near the beginning of the section, and deleted "starting with the first full pay period in the calendar month in which municipal fire member coverage plan 4 becomes applicable to the member" preceding "percent of salary" at the end of the section.

### **10-11-109. Municipal fire member coverage plan 4; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and covers under municipal fire member coverage plan 4:

- A. prior to July 1, 2022, twenty-one and nine-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, twenty-two and four-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, twenty-one and nine-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twenty-three and four-tenths percent of salary; and

E. beginning July 1, 2025 and thereafter, twenty-three and nine-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 109; 1998, ch. 114, § 8; 2013, ch. 225, § 82; 2019, ch. 237, § 15; 2020, ch. 11, § 54.

## ANNOTATIONS

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "twenty-one and nine-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute twenty-one and", deleted "sixty-five hundredths" and added "nine-tenths", and after "member coverage plan 4", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be twenty-one and twenty-five hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute twenty-one and", deleted "twenty-five one-hundredths" and added "sixty-five hundredths"; and after "coverage plan 4", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "twenty-one" for "twenty" near the beginning of the section, substituted "whom" for "which" near the middle of the section, and substituted "covers" for "who is covered" near the end of the section.

### **10-11-110. Municipal fire member coverage plan 5; applicability.**

Municipal fire member coverage plan 5 is applicable to municipal fire members of an affiliated public employer on the first day of the calendar month following certification of the election adopting municipal fire member coverage plan 5 by an affirmative vote of the majority of the affiliated public employer's municipal fire members. The election shall be conducted by the affiliated public employer. The certification shall be in the form prescribed by the retirement board. The election procedures shall afford all municipal fire members of the affiliated public employer an opportunity to vote. An election adopting municipal fire member coverage plan 5 for a given affiliated public employer is irrevocable for the purpose of subsequently adopting a coverage plan which would decrease employer or employee contributions with respect to all current and future municipal fire members of that affiliated public employer.

**History:** Laws 1987, ch. 253, § 110; 1989, ch. 79, § 6.

**10-11-111. Municipal fire member coverage plan 5; age and service requirements for normal retirement.**

A. for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service; or
- (6) any age and twenty or more years of credited service; and

B. for a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

**History:** Laws 1987, ch. 253, § 111; 2013, ch. 225, § 83; 2020, ch. 11, § 55.

**ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, added "for a member who was a retired member or a member on June 30, 2013"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.



## **10-11-112. Municipal fire member coverage plan 5; amount of pension; form of payment A.**

Under municipal fire member coverage plan 5:

A. for a member with age and service requirements provided under Subsection A of Section 10-11-111 NMSA 1978, the amount of pension under form of payment A is equal to three and one-half percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary; and

B. for a member with age and service requirements provided under Subsection B of Section 10-11-111 NMSA 1978, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 1987, ch. 253, § 112; 2013, ch. 225, § 84; 2023, ch. 53, § 17.

### **ANNOTATIONS**

**The 2023 amendment,** effective June 16, 2023, increased the maximum amount of pension that a municipal fire member under coverage plan 5 is permitted to earn; and in Subsections A and B, after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment,** effective July 1, 2013, increased the maximum pension benefit; decreased the pension benefit for employees who become members after June 30, 2013; in Subsection A, in the first sentence, added "for a member with age and service requirements provided under Subsection A of Section 10-11-111 NMSA 1978" and in the second sentence, after "shall not exceed", deleted "eighty" and added "ninety"; and added Subsection B.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

## **10-11-113. Repealed.**

**History:** Laws 1987, ch. 253, § 113; repealed by Laws 2009, ch. 288, § 20.

### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-113 NMSA 1978, as enacted by Laws 1987, ch. 253, § 113, relating to municipal fire member coverage plan 5, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-114. Municipal fire member coverage plan 5; member contribution rate.**

A member under municipal fire member coverage plan 5 shall contribute sixteen and two-tenths percent of salary with the first full pay period in the calendar month in which municipal fire member coverage plan 5 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. beginning July 1, 2021 and continuing through June 30, 2022, nineteen and two-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, nineteen and seven-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, twenty and two-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twenty and seven-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twenty-one and two-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 114; 1998, ch. 114, § 9; 2013, ch. 225, § 85; 2020, ch. 11, § 56; 2021, ch. 38, § 6.

### **ANNOTATIONS**

**The 2021 amendment**, effective July 1, 2021, increased employee contribution rates for members under municipal fire member coverage plan 5; in Subsection A, deleted "prior to July 1, 2022, seventeen and seven-tenths" and added "beginning July 1, 2021 and continuing through June 30, 2022, nineteen and two-tenths"; in Subsection B, after "June 30, 2023", changed "eighteen and two-tenths" to "nineteen and seven-tenths"; in Subsection C, after "June 30, 2024", changed "eighteen and seven-tenths" to "twenty and two-tenths"; in Subsection D, after "June 30, 2025", changed "nineteen and two-tenths" to "twenty and seven-tenths"; and in Subsection E, after "thereafter", changed "nineteen and two-tenths" to "twenty and seven-tenths".

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than

twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "seventeen and seven-tenths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of sixteen and two-tenths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "sixteen" for "fifteen" near the beginning of the section, and deleted "starting with the first full pay period in the calendar month in which municipal fire member coverage plan 5 becomes applicable to the member" at the end of the section.

### **10-11-115. Municipal fire member coverage plan 5; affiliated public employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member it employs and covers under municipal fire member coverage plan 5:

- A. prior to July 1, 2022, twenty-one and nine-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, twenty-two and four-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, twenty-two and nine-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, twenty-three and four-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twenty-three and nine-tenths percent of salary.

**History:** Laws 1987, ch. 253, § 115; 1998, ch. 114, § 10; 2013, ch. 225, § 86; 2019, ch. 237, § 16; 2020, ch. 11, § 57.

### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "twenty-one and nine-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute twenty-one and", deleted "sixty-five hundredths" and added "nine-tenths", and after "member coverage plan 5", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be twenty-one and twenty-five hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute twenty-one and", deleted "twenty-five one-hundredths" and added "sixty-five hundredths"; and after "coverage plan 5", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1998 amendment**, effective May 20, 1998, substituted "twenty-one" for "twenty" near the beginning of the section, substituted "whom" for "which" near the middle of the section, and substituted "covers" for "who is covered" near the end of the section.

### **10-11-115.1. Municipal detention officer member coverage plan 1; applicability.**

Municipal detention officer member coverage plan 1 is applicable to municipal detention officer members on the later of July 1, 2004 or the first day of the calendar month following certification of the election adopting municipal detention officer member coverage plan 1 by an affirmative vote of the majority of the affiliated public employer's municipal detention officer members. The election shall be conducted by the affiliated public employer. The certification shall be in the form prescribed by the retirement board. The election procedures shall afford all municipal detention officer members of the affiliated public employer an opportunity to vote. An election adopting municipal detention officer member coverage plan 1 for a given affiliated public employer is irrevocable for the purpose of subsequently adopting a coverage plan that would decrease employer or employee contributions with respect to all current and future municipal detention officer members of that affiliated public employer.

**History:** Laws 2003, ch. 268, § 2.

### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 268, § 17 made the act effective July 1, 2003.

**10-11-115.2. Municipal detention officer member coverage plan 1; age and service requirements for normal retirement; calculation of credited service.**

A. Under municipal detention officer member coverage plan 1, for a member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty-five years or older and five or more years of credited service;
- (2) age sixty-four years and eight or more years of credited service;
- (3) age sixty-three years and eleven or more years of credited service;
- (4) age sixty-two years and fourteen or more years of credited service;
- (5) age sixty-one years and seventeen or more years of credited service;
- (6) age sixty years and twenty or more years of credited service; or
- (7) any age and twenty-five or more years of credited service.

B. For a member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:

- (1) age sixty years or older and five or more years of service credit; or
- (2) any age and twenty-five or more years of service credit.

C. For the purposes of determining retirement eligibility and the amount of pension, the credited service of a municipal detention officer member who was a retired member or a member on June 30, 2013 shall be increased by twenty percent for the purposes of municipal detention officer member coverage plan 1.

D. Except as provided in Subsection C of this section, the credited service of a municipal detention officer member shall be credited as provided under Section 10-11-4 NMSA 1978.

**History:** Laws 2003, ch. 268, § 3; 2013, ch. 225, § 87; 2020, ch. 11, § 58.

**ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, changed the service credit requirement for certain retirees; and in Subsection B, Paragraph B(1), after "older and", deleted "six" and added "five".

**The 2013 amendment**, effective July 1, 2013, increased the age and service requirements for normal retirement of members who retire after June 30, 2013; in Subsection A, in the introductory sentence, after "member coverage plan 1", added "for a member who was a retired member or a member on June 30, 2013"; added Subsection B; deleted a remnant of former Subsection B, which provided that "In calculating credited service", in Subsection C, after "detention officer member", added "who was a retired member or member on June 30, 2013" and after "June 30, 2013 shall", deleted "have actual credited service" and added "be"; and added Subsection D.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-115.3. Municipal detention officer member coverage plan 1; amount of pension; form of payment A.**

Under municipal detention officer member coverage plan 1, the amount of pension under form of payment A is equal to three percent of the final average salary multiplied by credited service. The amount shall not exceed one hundred percent of the final average salary.

**History:** Laws 2003, ch. 268, § 4; 2013, ch. 225, § 88; 2023, ch. 53, § 18.

#### **ANNOTATIONS**

**The 2023 amendment**, effective June 16, 2023, increased the maximum amount of pension that a municipal detention officer member under coverage plan 1 is permitted to earn; and after "shall not exceed", deleted "ninety" and added "one hundred".

**Applicability.** — The provisions of Laws 2023, ch. 53, § 19 apply to credited service performed after June 16, 2023. Any credited service performed or amount of pension earned prior to June 16, 2023 shall not be calculated or adjusted to conform to the provisions of Laws 2023, ch. 53.

**The 2013 amendment**, effective July 1, 2013, increased the maximum pension benefit; and in the second sentence, after "shall not exceed", deleted "sixty" and added "ninety".

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-115.4. Repealed.**

**History:** Laws 2003, ch. 268, § 5; repealed by Laws 2009, ch. 288, § 20.

#### **ANNOTATIONS**

**Repeals.** — Laws 2009, ch. 288, § 20 repealed 10-11-115.4 NMSA 1978, as enacted by Laws 2003, ch. 268, § 5, relating to municipal detention officer member coverage plan 1, final average salary, effective July 1, 2011. For provisions of former section, see the 2010 NMSA 1978 on *NMOneSource.com*.

### **10-11-115.5. Municipal detention officer member coverage plan 1; member contribution rate.**

A member under municipal detention officer member coverage plan 1 shall contribute sixteen and sixty-five hundredths percent of salary with the first full pay period in the calendar month in which municipal detention officer member coverage plan 1 becomes applicable to the member, except that a member whose annual salary is greater than twenty-five thousand dollars (\$25,000) shall contribute:

- A. prior to July 1, 2022, eighteen and fifteen-hundredths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, eighteen and sixty-five hundredths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, nineteen and fifteen-hundredths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, nineteen and sixty-five hundredths percent of salary; and
- E. beginning July 1, 2025 and thereafter, twenty and fifteen-hundredths percent of salary.

**History:** Laws 2003, ch. 268, § 6; 2013, ch. 225, § 89; 2020, ch. 11, § 59.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased member contribution rates by .5 percent each year for four years for members whose annual salary is greater than twenty-five thousand dollars, and increased the salary amount applicable to the increased member contribution rate; in the introductory clause, after "greater than", deleted "twenty thousand dollars (\$20,000)" and added "twenty-five thousand dollars (\$25,000)", and after "shall contribute", deleted "eighteen and fifteen-hundredths percent of salary"; and added Subsections A through E.

**The 2013 amendment**, effective July 1, 2013, increased the employee contribution rate for employees earning more than twenty thousand dollars in salary annually; deleted the entire section, which provided for employee contributions at a rate of sixteen and sixty-five hundredths percent of salary; and added the current language.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-115.6. Municipal detention officer member coverage plan 1; employer contribution rate.**

The affiliated public employer shall contribute the following percentages of the salary of each member under municipal detention officer member coverage plan 1 starting with the first pay period that ends within the calendar month in which municipal detention officer member coverage plan 1 becomes applicable to the member:

- A. prior to July 1, 2022, seventeen and three-tenths percent of salary;
- B. beginning July 1, 2022 and continuing through June 30, 2023, seventeen and eight-tenths percent of salary;
- C. beginning July 1, 2023 and continuing through June 30, 2024, eighteen and three-tenths percent of salary;
- D. beginning July 1, 2024 and continuing through June 30, 2025, eighteen and eight-tenths percent of salary; and
- E. beginning July 1, 2025 and thereafter, nineteen and three-tenths percent of salary.

**History:** Laws 2003, ch. 268, § 7; 2013, ch. 225, § 90; 2019, ch. 237, § 17; 2020, ch. 11, § 60.

#### **ANNOTATIONS**

**The 2020 amendment**, effective July 1, 2020, increased affiliated public employer contribution rates by .5 percent each year for four years; in the introductory clause, after "shall contribute", deleted "seventeen and three-tenths percent" and added "the following percentages"; and added Subsections A through E.

**The 2019 amendment**, effective July 1, 2019, increased employer contribution rates to the funds included under the Public Employees Retirement Act; after "shall contribute seventeen and", deleted "five hundredths" and added "three-tenths", and after "applicable to the member", deleted "except that, from July 1, 2013 through June 30, 2014, the affiliated public employer contribution rate shall be sixteen and sixty-five hundredths percent of the salary of each member".

**The 2013 amendment**, effective July 1, 2013, increased the employer contribution rate; after "contribute", deleted "sixteen and sixty-five hundredths" and added "seventeen and



five-hundredths"; and after "applicable to the member", added the remainder of the sentence.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-11-115.7. Municipal detention officer member coverage plan 1; service credit required for municipal detention officer members.**

Notwithstanding other provisions of the Public Employees Retirement Act, to qualify for retirement pursuant to municipal detention officer member coverage plan 1, a municipal detention officer member shall have eighteen months of service credit earned under that coverage plan.

**History:** Laws 2003, ch. 268, § 8.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 268, § 17 made the act effective July 1, 2003.

### **10-11-116. Election of form of payment of a pension.**

A. Except as otherwise provided in Section 10-11-136 NMSA 1978, a member may elect to have pension payments made under any one of the forms of payment provided in Section 10-11-117 NMSA 1978. The election of form of payment and naming of survivor beneficiary shall be made on a form furnished by and filed with the association prior to the date the first pension payment is made. An election of form of payment may not be changed after the date the first pension payment is made. If the member is married, the association shall obtain the consent of the member's spouse to the election of the form of payment and any designation of survivor beneficiary before the election or designation is effective. Except as provided in Subsection C, D or E of this section, a named survivor beneficiary may not be changed after the date the first pension payment is made if form of payment B or C is elected. Except as otherwise provided in Section 10-11-136 NMSA 1978, payment shall be made:

(1) under form of payment A if the member is not married at the time of retirement and if there is not a timely election of another form of payment; or

(2) under form of payment C with the member's spouse as survivor beneficiary if the member is married at the time of retirement and there is not a timely election of another form of payment.

B. The amount of pension under forms of payment B, C and D shall have the same actuarial present value, computed as of the effective date of the pension, as the amount of pension under form of payment A.

C. A retired member who is being paid a pension under form of payment B or C with the member's spouse as the designated survivor beneficiary may:

(1) exercise a one-time irrevocable option to designate another survivor beneficiary and may select either form of payment B or form of payment C; provided that:

(a) the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

(b) the member's spouse provides a notarized, written statement expressing the spouse's consent to relinquish the designation as a survivor beneficiary; and

(c) the retired member shall pay one hundred dollars (\$100) to the retirement board to defray the cost of determining the new pension amount;

(2) upon becoming divorced from the named spouse and subject to an order of a court as provided for in Section 10-11-136 NMSA 1978, elect to have future payments made under form of payment A; or

(3) upon becoming divorced from the named spouse, exercise a one-time irrevocable option to designate another survivor beneficiary and may select either form of payment B or form of payment C; provided that:

(a) the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

(b) the designation and the amount of the pension shall be subject to a court order as provided for in Section 10-11-136 NMSA 1978; and

(c) the retired member shall pay one hundred dollars (\$100) to the retirement board to defray the cost of determining the new pension amount.

D. A retired member who was previously being paid a pension under form of payment B or C but, because of the death of or divorce from the designated survivor beneficiary or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of or divorce from the beneficiary of that trust, is currently receiving a pension under form of payment A may exercise a one-time irrevocable option to designate another survivor beneficiary and may select either form of payment B or form of payment C; provided that:

(1) the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

(2) the designation and the amount of the pension shall be subject to a court order as provided for in Section 10-11-136 NMSA 1978; and

(3) the retired member shall pay one hundred dollars (\$100) to the retirement board to defray the cost of determining the new pension amount.

E. A retired member who is being paid a pension under form of payment B or C with a living or operating designated survivor beneficiary other than the retired member's spouse or former spouse or the supplemental needs trust of the retired member's spouse or former spouse may exercise a one-time irrevocable option to deselect the designated beneficiary and elect to:

(1) designate another survivor beneficiary and may select either form of payment B or form of payment C; provided that:

(a) the amount of the pension under the form of payment shall be recalculated and shall have the same actuarial present value, computed as of the effective date of the designation, as the amount of pension under form of payment A; and

(b) the retired member shall pay one hundred dollars (\$100) to the retirement board to defray the cost of determining the new pension amount; or

(2) have future payments made under form of payment A.

**History:** Laws 1987, ch. 253, § 116; 1991, ch. 149, § 1; 2010, ch. 19, § 1; 2011, ch. 122, § 1; 2021, ch. 115, § 1; 2023, ch. 156, § 2.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; in Subsection C, Paragraph C(1), after "designate another", deleted "individual as the"; in Paragraph C(3), after "designate another", deleted "individual as the"; in Subsection D, added "or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of or divorce from the beneficiary of that trust", and after "designate another", deleted "individual as the"; and in Subsection E, in the introductory clause, after "former spouse", added "or the supplemental needs trust of the retired member's spouse or former spouse".

**The 2021 amendment**, effective July 1, 2021, provided additional options to change the survivor beneficiary for retired members who have designated a spouse as a survivor beneficiary; in Subsection C, added Paragraph C(1), added paragraph designation "(2)", and added Paragraph C(3); in Subsection D, after "because of the death of", added "or divorce from"; and in Subsection E, Paragraph E(1), after "survivor beneficiary", added "and may select either form of payment B or form of payment C", and deleted former

Subparagraph E(1)(a) and redesignated former Subparagraphs E(1)(b) and E(1)(c) as Subparagraphs E(1)(a) and E(1)(b), respectively.

**The 2011 amendment**, effective July 1, 2011, added Subsection D to permit a retired member who, because of the death of a designated survivor pension beneficiary, is being paid under form of payment A to designate another beneficiary upon the death of the initial designated beneficiary, and to be paid under either form of payment B or C, subject to recalculation of the amount of the pension, court-ordered divisions of community property, and payment of the prescribed fee; and in Subsection E, permitted a retired member to deselect a designated living beneficiary and designate another beneficiary upon payment of the prescribed fee.

**The 2010 amendment**, effective May 19, 2010, in Subsection A, in the fifth sentence, after "Subsection C", added "or D"; and added Subsection D.

**The 1991 amendment**, effective July 1, 1991, in Subsection A, rewrote the first sentence which read "A member may elect to have pension payments made under any one of the forms of payment provided in Section 117 of the Public Employees Retirement Act and name a survivor pension beneficiary", added the fourth sentence, deleted the fifth sentence, which read "A named survivor pension beneficiary shall have an insurable interest in the life of the retired member on the date first payment of the pension is made", and substituted the language beginning "Except as otherwise" including Paragraphs (1) and (2) for "payment shall be made under form of payment A if there is not a timely election of another form of payment" and, in Subsection C, substituted "with the member's spouse as the designated survivor" for "and who named the spouse as survivor" and substituted "Section 10-11-136 NMSA 1978" for "Section 136 of the Public Employees Retirement Act".

**An adequate legal remedy precludes a claim for injunctive relief.** — Where plaintiff husband, a retired member of the public employees retirement association, sought declaratory relief under the Declaratory Judgment Act, 44-6-1 to -15 NMSA 1978 (1975) after he executed and delivered a one-time irrevocable option to deselect his wife as his survivor beneficiary and designate his daughter as the new survivor beneficiary, but later claimed that the deselection of wife and designation of daughter was a mistake, and where the public employees retirement board (PERB) declined plaintiff's request to void the action, the district court properly dismissed plaintiff's claim for injunctive relief, because the PERB has authority under 10-11-120 NMSA 1978 to determine in the first instance whether 10-11-116(E) NMSA 1978 permits reversal of a member's mistaken deselection of a survivor beneficiary, because a court may not exercise an equitable remedy to accomplish a goal that a statute has foreclosed. *Gzaskow v. Public Employees Ret. Bd.*, 2017-NMCA-064.

## **10-11-117. Forms of payment of a pension.**

A. Straight life pension is form of payment A. The retired member is paid the pension for life under form of payment A. All payments stop upon the death of the

retired member, except as provided by Subsection E of this section. The amount of pension is determined in accordance with the coverage plan applicable to the retired member.

B. Life payments with full continuation to one survivor beneficiary is form of payment B. The retired member is paid a reduced pension for life under form of payment B. When the retired member dies, the designated survivor beneficiary is paid the full amount of the reduced pension until the death of the survivor beneficiary or the death of the beneficiary of a supplemental needs trust or the termination of that trust. If the designated survivor beneficiary or the beneficiary of a supplemental needs trust predeceases the retired member or if the supplemental needs trust terminates while the retired member is living, the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment A.

C. Life payment with one-half continuation to one survivor beneficiary is form of payment C. The retired member is paid a reduced pension for life under form of payment C. When the retired member dies, the designated survivor beneficiary is paid one-half the amount of the reduced pension until the death of the survivor beneficiary or the death of the beneficiary of a supplemental needs trust. If the designated survivor beneficiary or the beneficiary of a supplemental needs trust predeceases the retired member or the supplemental needs trust terminates while the retired member is living, the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment A.

D. Life payments with temporary survivor benefits for children is form of payment D. The retired member is paid a reduced pension for life under form of payment D. When the retired member dies, each declared eligible child is paid a share of the reduced pension until death or age twenty-five years, whichever occurs first. The share is the share specified in writing and filed with the association by the retired member. If shares are not specified in writing and filed with the association, each declared eligible child is paid an equal share of the reduced pension. A redetermination of shares shall be made when the pension of any child terminates. An eligible child is a natural or adopted child of the retired member who is under age twenty-five years. A declared eligible child is an eligible child whose name has been declared in writing and filed with the association by the retired member at the time of election of form of payment D. The amount of pension shall be changed to the amount of pension that would have been payable had the retired member elected form of payment A upon there ceasing to be a declared eligible child during the lifetime of the retired member.

E. If all pension payments permanently terminate before there is paid an aggregate amount equal to the retired member's accumulated member contributions at the time of retirement, the difference between the amount of accumulated member contributions and the aggregate amount of pension paid shall be paid to the retired member's refund beneficiary. If no refund beneficiary survives the retired member, the difference shall be paid to the estate of the retired member.

**History:** Laws 1987, ch. 253, § 117; 1992, ch. 116, § 7; 1997, ch. 189, § 7; 2023, ch. 156, § 3.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; in Subsection B, deleted "Upon the association's receipt of proof of death of the designated survivor beneficiary" and added "of the survivor beneficiary or the death of the beneficiary of a supplemental needs trust or the termination of that trust. If the designated survivor beneficiary or the beneficiary of a supplemental needs trust predeceases the retired member or if the supplemental needs trust terminates while the retired member is living"; and in Subsection C, after "until the death", added "of the survivor beneficiary or the death of the beneficiary of a supplemental needs trust", after "designated survivor beneficiary", added "or the beneficiary of a supplemental needs trust", and after "predeceases the retired member", added "or the supplemental needs trust terminates while the retired member is living".

**The 1997 amendment**, effective June 20, 1997, substituted "Upon the association's receipt of proof of death of the designated survivor beneficiary" for "If the designated survivor beneficiary predeceases the retired member" in the fourth sentence of Subsection B.

**The 1992 amendment**, effective July 1, 1992, substituted "Subsection E" for "Subsection F" in the third sentence of Subsection A; in Subsection B, inserted "one" preceding "survivor" in the first sentence and rewrote the third and fourth sentences; in Subsection C, inserted "one" preceding "survivor" in the first sentence and rewrote the third and fourth sentences; in Subsection D, substituted "When the retired member dies" for "upon the death of the retired member during the lifetime of a declared eligible child of the retired member" in the third sentence; deleted Subsection E, relating to requirements for election made under Subsections B or C; redesignated Subsection F as Subsection E; and substituted "retired member" for "former member" and "member contributions" for "deductions" in Subsection E.

**Change of retirement action.** — Where there is no evidence that the retiree was suffering from psychosis when he selected his option or that his use of alcohol rendered him incompetent to select an option he may not later change his retirement action. 1988 Op. Att'y Gen. No. 88-27.

**Effect of voiding of option.** — When a court voids a retirement option selection because of incompetence, it will grant relief as if the retiree did not select an option. 1988 Op. Att'y Gen. No. 88-27.

### **10-11-118. Cost-of-living adjustments; qualified pension recipient; declining increase.**

A. As used in this section:

(1) "cost-of-living adjustment hurdle rate" means the investment rate of return required to fund a cost-of-living adjustment in excess of one-half percent, as determined by the association's actuaries;

(2) "funded ratio" means the ratio of the actuarial value of the assets of the fund to the actuarial accrued liability of the association for payments from the fund, as determined by the association's actuaries;

(3) "preceding calendar year" means the full calendar year preceding the July 1 on which pensions are being adjusted; and

(4) "smoothed investment rate of return" means a calculation made by spreading the difference between the expected actuarial value in investment income and the actual market value investment income over a smoothing period, as determined by the association's actuaries.

B. A qualified pension recipient is eligible for a cost-of-living pension adjustment. A qualified pension recipient is:

(1) a normal retired member who has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(2) a normal retired member who has attained the age of sixty-five years and has been retired for at least one full calendar year from the effective date of the member's latest retirement prior to July 1 of the year in which the pension is being adjusted;

(3) a disability retired member who has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(4) a survivor beneficiary who has received a survivor pension for at least two full calendar years; or

(5) a survivor beneficiary of a deceased retired member who otherwise would have been retired at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted.

C. Except as provided in Subsections F, G and H of this section, during fiscal years 2021, 2022 and 2023, a qualified pension recipient shall receive an annual, non-compounding, additional payment. The amount of the payment shall be determined by multiplying the amount of annual pension payments, inclusive of all cost-of-living adjustments prior to fiscal year 2021, by two percent.

D. Beginning May 1, 2023 and no later than each May 1 thereafter, the retirement board shall certify to the association the:

- (1) funded ratio as of June 30 of the preceding calendar year; and
- (2) smoothed investment rate of return as of June 30 of the preceding calendar year.

E. Except as provided in Subsections F, G and H of this section, beginning July 1, 2023 and each July 1 thereafter, immediately following the retirement board's certification of the funded ratio and smoothed investment rate of return, the cost-of-living adjustment to a qualified pension recipient payable pursuant to the Public Employees Retirement Act shall be determined as an amount equal to the smoothed investment rate of return on the actuarial value of assets on June 30 of the preceding calendar year less the cost-of-living adjustment hurdle rate, as determined by the association's actuaries, multiplied by the funded ratio on June 30 of the preceding calendar year or five-tenths percent, whichever is greater, and subject to the following conditions:

(1) if the funded ratio of the fund is less than one hundred percent on June 30 of the preceding calendar year, the amount of the adjustment made pursuant to this subsection shall not exceed three percent;

(2) if the funded ratio of the fund is equal to or greater than one hundred percent on June 30 of the preceding calendar year, the adjustment made pursuant to this subsection shall not exceed five percent;

(3) notwithstanding the provisions of this subsection, a qualified pension recipient shall receive a minimum annual cost-of-living adjustment of five-tenths percent; and

(4) the amount of increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by the cost-of-living adjustment as determined by this subsection.

F. For a normal retired member who worked for at least twenty-five years under one or more applicable coverage plans and whose annual pension benefit, after all previous annual cost-of-living adjustments, is equal to an amount not greater than twenty-five thousand dollars (\$25,000), the pension benefit shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent.

G. For a disability retired member whose annual pension benefit, after all previous annual cost-of-living adjustments, is equal to an amount not greater than twenty-five thousand dollars (\$25,000), the pension benefit shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent.



H. For a normal retired member who has attained the age of seventy-five years prior to July 1, 2020, the pension benefit shall be increased by two and one-half percent each July 1. The amount of the increase shall be determined by multiplying the amount of pension, inclusive of all prior adjustments, by two and one-half percent.

I. A qualified pension recipient may decline an increase in a pension by giving the association written notice of the decision to decline the increase at least thirty days prior to the date the increase would take effect.

**History:** Laws 1987, ch. 253, § 118; 1992, ch. 116, § 8; 2013, ch. 225, § 91; repealed and reenacted by Laws 2020, ch. 11, § 61.

## ANNOTATIONS

**Repeals and reenactments.** — Laws 2020, ch. 11, § 61 repealed 10-11-118 NMSA 1978 and enacted a new section effective July 1, 2020.

**The 2013 amendment,** effective July 1, 2013, reduced the cost-of-living adjustments for all retirees; delays the cost-of-living adjustment for certain future retirees; in the title, added "qualified pension recipient"; in Subsection B, deleted former language which provided for a three percent cost-of-living adjustment and added the current language of Subsection B; added Paragraphs (1) through (3) of Subsection B; in Subparagraph (a) of Paragraph (1) of Subsection C, at the beginning of the sentence, added "retires on or before June 30, 2014"; and added Subparagraphs (b) through (d) of Paragraph (1) of Subsection C.

**Severability.** — Laws 2013, ch. 225, § 93 provided that if any part or application of Laws 2013, ch. 225 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 1992 amendment,** effective July 1, 1992, rewrote this section to the extent that a detailed comparison would be impracticable.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 247; 81A C.J.S. States §§ 46, 112 to 119.

### **10-11-118.1. Adjustment of benefits.**

A. If payment of a pension or other retirement benefit causes a decrease in the amount of monetary payments or other needs-based benefits due to a payee from any other governmental agency, the pension or other retirement benefit shall be reduced for the period during which the pension or other retirement benefit prevents payment of another needs-based benefit to result in payment of the maximum amount possible by the association and the other governmental agency to the payee. Any amounts which would otherwise be paid out which are not paid in accordance with the provisions of this section shall not be recoverable by a payee at any later date.

B. If there is a change in the effect of a pension or other retirement benefit on any monetary payments or other needs-based benefits due to a payee from any other governmental agency, the pension or other retirement benefits shall be adjusted to result in the maximum total benefit to the payee. In no event shall any pension be increased in an amount greater than that authorized by the Public Employees Retirement Act.

C. The provisions of this section are mandatory and may not be waived or declined by a payee. Each payee shall provide the association with all information necessary for the association to carry out the requirements imposed by this section.

D. If the payee fails to provide all the facts necessary to comply with the requirements imposed by this section and payment of a pension or other retirement benefit is made without making the adjustment required by this section, neither the board, the executive director nor any officer or employee of the association or the board shall be liable to any third party because the adjustment was not made as required.

E. As used in this section:

(1) "pension" means a normal retirement, survivor or disability retirement pension payable to a retired member or survivor beneficiary pursuant to the Public Employees Retirement Act;

(2) "governmental agency" means the federal government, any department or agency of the federal government, any state and any department, agency or political subdivision of a state;

(3) "total benefits" means pensions plus any other monetary payments or other needs-based benefits due to the payee from any governmental agency;

(4) "needs-based benefit" means monetary or other benefits for which a determination of eligibility is based upon the recipient's level of income and resources; and

(5) "payee" means a retired member or the refund beneficiary or survivor beneficiary of a retired member.

**History:** 1978 Comp., § 10-11-118.1, enacted by Laws 1992, ch. 116, § 9; 1993, ch. 160, § 5; 1997, ch. 189, § 18.

## ANNOTATIONS

**The 1997 amendment**, effective June 20, 1997, in Subsection D, deleted "retirement" preceding "board" in two places and substituted "director" for "secretary".

**The 1993 amendment**, effective June 18, 1993, rewrote this section to the extent that a detailed comparison would be impracticable.

### **10-11-119. Commencement, change and termination of a pension.**

A. A normal or disability pension shall commence the first day of the month following retirement. A preretirement survivor pension shall commence the first day of the month following the date of the death resulting in the pension. A postretirement survivor pension shall commence the first day of the month following the date of the death resulting in the pension.

B. Termination of payment of a pension shall occur at the end of the month in which the event causing termination occurs. Payment shall be made for the full month of termination.

C. A change in the amount of a pension shall occur the first day of the month following the date of the event causing the change.

**History:** Laws 1987, ch. 253, § 119.

#### **ANNOTATIONS**

**Effect of 1987 recodification.** — The 1987 recodification of the public employees retirement act does not permit a normal or disability retirement pension to be made retroactive. 1988 Op. Att'y Gen. No. 88-15.

**Retroactive award prohibited.** — The Public Employees Retirement Association may not award disability benefits retroactive to the date on which the member's name last appeared on the payroll with pay. 1989 Op. Att'y Gen. No. 89-18.

### **10-11-120. Denial of benefit claim; appeals.**

A. A benefit claimant shall be notified in writing of a denial of a claim for benefits within thirty days of the denial. The notification shall give the reason for the denial. A claimant may appeal the denial and request a hearing. The appeal shall be in writing filed with the association within ninety days of the denial. The appeal shall contain a statement of the claimant's reason for claiming the denial to be improper. The retirement board shall schedule a de novo hearing of the appeal before the retirement board or, at the discretion of the retirement board, a designated hearing officer or committee of the retirement board within sixty days of receipt of the appeal. A final decision on the matter being appealed shall be made by the retirement board.

B. Appeals from a final decision of the retirement board may be filed pursuant to the provisions of Section 39-3-1.1 NMSA 1978.

**History:** Laws 1987, ch. 253, § 120; 1997, ch. 189, § 8; 1998, ch. 55, § 22; 1999, ch. 265, § 22.

## ANNOTATIONS

**Cross references.** — For procedures governing administrative appeals to the district court, see Rule 1-074 NMRA.

**The 1999 amendment,** effective July 1, 1999, substituted "Section 39-3-1.1" for "Section 12-8A-1" in Subsection B.

**The 1998 amendment,** effective September 1, 1998, rewrote Subsection B.

**The 1997 amendment,** effective June 20, 1997, in Subsection A, rewrote the first sentence, and in the second sentence, inserted "de novo" and inserted "designated hearing officer or".

**Burden of proof.** — The burden of showing entitlement to benefits rests on the claimant. *Johnson v. Pub. Emps. Ret. Bd.*, 1998-NMCA-174, 126 N.M. 282, 968 P.2d 793, cert. denied, 126 N.M. 532, 972 P.2d 351.

**Plaintiffs must exhaust their administrative remedies.** — Where plaintiff husband, a retired member of the public employees retirement association, sought declaratory relief under the Declaratory Judgment Act, 44-6-1 to -15 NMSA 1978 (1975) after he executed and delivered a one-time irrevocable option to deselect his wife as his survivor beneficiary and designate his daughter as the new survivor beneficiary, but later claimed that the deselection of wife and designation of daughter was a mistake, and where the public employees retirement board declined plaintiff's request to void the action, the district court properly dismissed plaintiff's action for failure to exhaust his administrative remedies, because 10-11-120 NMSA 1978 provides the exclusive remedy for the denial of benefits under the Public Employees Retirement Act and the declaratory judgment exception for the exhaustion of administrative remedies was not available to plaintiff. *Gzaskow v. Public Employees Ret. Bd.*, 2017-NMCA-064.

### **10-11-121. Group health insurance; continuation; group life insurance.**

A. Any member or survivor pension beneficiary may continue to be insured under the provisions of any affiliated public employer's group health insurance plan in effect at the time of retirement or death or under the terms of any separate subsequent group health insurance plan of the affiliated public employer if the retired member or survivor pension beneficiary pays the periodic premium charges and consents to have the association deduct the periodic premium charges from the retired member's or survivor pension beneficiary's pension. The affiliated public employer shall furnish to the association in the manner prescribed by the association a monthly listing of all members or survivor pension beneficiaries who have elected to continue to be insured in

accordance with this section and shall also provide the association with written notification of any changes in insurance providers at least sixty days prior to any such change. The association shall make any such changes no later than sixty days after the date of notification.

B. Any member who retires after July 1, 1990, may be insured under the provisions of any affiliated public employer's group life insurance plan for retirees in effect at the time of retirement or death or under the terms of any separate subsequent group life insurance plan for retirees of the affiliated public employer if the retired member pays the periodic premium charges and consents to have the association deduct the periodic premium charges from the retired member's pension. The affiliated public employer shall furnish to the association in the manner prescribed by the association a monthly listing of all members who have elected to continue to be insured in accordance with this section and shall also provide the association with written notification of any changes in insurance providers at least sixty days prior to any such change. The association shall make any such changes no later than sixty days after the date of notification.

**History:** Laws 1987, ch. 253, § 121; 1989, ch. 347, § 2; 1990, ch. 128, § 2.

## ANNOTATIONS

**Cross references.** — For amounts of group insurance contributions of governmental entities, see 10-7-4 NMSA 1978.

For right of retiree of affiliated public employer to participate in group health insurance plan, see 10-7-5.1 NMSA 1978.

### **10-11-122. Public employer affiliation.**

A. A public employer who is an affiliated public employer on the effective date of the Public Employees Retirement Act shall continue to be an affiliated public employer.

B. A public employer who is not an affiliated public employer on the effective date of the Public Employees Retirement Act may become an affiliated public employer by resolution or ordinance adopted by its governing body. Affiliation shall be effective the first day of the month following completion of each of the following requirements:

(1) the public employer files a certified copy of the resolution or ordinance with the association; and

(2) the public employer furnishes the association with all information requested by the association.

C. An affiliated public employer may adopt a coverage plan by resolution or ordinance of its governing body, unless a procedure for adopting the change is

otherwise provided in the Public Employees Retirement Act. The change shall be effective the first day of the month following completion of each of the following requirements:

(1) the public employer files a certified copy of the resolution or ordinance with the association; and

(2) the public employer furnishes the association with all information requested by the association.

D. A public employer created by one of the methods specified in this subsection shall be an affiliated public employer with the coverage plan that provides the highest pension applicable to any of the groups of members brought under its employment.

(1) This subsection applies to a public employer created:

(a) by a merger of two or more affiliated public employers;

(b) pursuant to a joint powers agreement between two or more affiliated public employers;

(c) pursuant to a statute that authorizes two or more affiliated public employers to jointly create the public employer; or

(d) pursuant to a statute that creates the public employer by expanding the jurisdiction or assuming the powers and duties of an existing affiliated public employer.

(2) The public employer shall be an affiliated public employer on the first day of the month following the later of:

(a) the date that the public employer files with the association a certified copy of the statute, ordinance, resolution or joint powers agreement under which the public employer is created; or

(b) the date that the public employer furnishes the association with all information requested by the association.

**History:** Laws 1987, ch. 253, § 122; 2005, ch. 333, § 3.

### **ANNOTATIONS**

**The 2005 amendment**, effective June 17, 2005, added Subsection D to provide for the affiliation of new public employers.

**10-11-123. Funds of association.**

A. The accounting funds of the association are the "member contribution fund", "employers accumulation fund", "retirement reserve fund" and "income fund". The maintenance of separate accounting funds shall not require the actual segregation of the assets of the association among the various funds.

B. The accounting funds provided for in Subsection A of this section are trust funds and shall be used only for the purposes provided in the Public Employees Retirement Act.

**History:** Laws 1987, ch. 253, § 123.

## ANNOTATIONS

**Segregation and allocation of investments.** — There is no statutory requirement that the various funds be segregated as to investments, and no prohibition against the allocation of a share of an investment to each of the several funds. 1958 Op. Att'y Gen. No. 58-172.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States §§ 46, 112 to 119, 223, 224, 229.

### **10-11-124. Member contribution fund.**

A. The member contribution fund is the accounting fund in which shall be accumulated contributions of members and from which shall be made refunds and transfers of accumulated member contributions as provided in the Public Employees Retirement Act. Each affiliated public employer shall cause the member contributions specified by the coverage plan applicable to each of that affiliated public employer's members to be deducted from the salary of each member. Each affiliated public employer shall remit the deducted member contributions to the association in accordance with the procedures and schedules established by the association. The association may assess an interest charge and a penalty charge on any remittance not made by its due date. Each member shall be deemed to consent and agree to the deductions made and provided for in this section by continuing employment with the affiliated public employer. Contributions by members shall be credited to the members' individual accounts in the member contribution fund.

B. A member's accumulated contributions shall be transferred to the retirement reserve fund if a pension becomes payable upon the retirement or death of the member. If a disability retirement pension is terminated for a reason other than the death of the disability retired member before an amount equal to the disability retired member's accumulated member contributions has been paid, the unexpended balance of the accumulated member contributions shall be transferred from the retirement reserve fund to the former disability retired member's individual account in the member contribution fund.

C. If a member terminates affiliated public employment or is on leave of absence from an affiliated public employer as a consequence of the entry into active duty with the armed forces of the United States, the member may, with the written consent of the member's spouse, if any, withdraw the member's accumulated member contributions, upon making written request in a form prescribed by the association. Upon written request of the member in the form prescribed by the association, a refund of member contributions may be made by a trustee-to-trustee transfer of the contributions from the member contribution fund directly to another qualified plan as allowed by the Internal Revenue Code of 1986. Withdrawal of member contributions shall result in forfeiture of the service credit accrued for the period during which the contributions were made.

D. A member shall, upon commencement of membership, designate a refund beneficiary who shall receive the refund of the member contributions, plus interest if any, if the member dies and no survivor pension is payable. If the member is married at the time of designation, written spousal consent shall be required if the designated refund beneficiary is other than the spouse or a supplemental needs trust to which the spouse is a beneficiary. Marriage subsequent to the designation shall automatically revoke a previous designation, and the spouse shall become the refund beneficiary unless or until another designation is filed with the association. Divorce subsequent to the designation shall automatically revoke designation of the former spouse as refund beneficiary, or the right of the former spouse to be refund beneficiary if no designation has been filed, and the refund shall be paid to the deceased member's estate unless the member filed a designation of refund beneficiary subsequent to the divorce. The refund shall be paid to the refund beneficiary named in the most recent designation of refund beneficiary on file with the association unless that beneficiary is deceased or otherwise terminated. If there is not a living or operating refund beneficiary named in the most recent designation of refund beneficiary on file with the association, the deceased member's accumulated member contributions shall be paid to the estate of the deceased member.

**History:** Laws 1987, ch. 253, § 124; 1993, ch. 160, § 6; 2023, ch. 156, § 4.

## ANNOTATIONS

**Cross references.** — For the Internal Revenue Code, see 26 U.S.C. § 1 et seq.

**The 2023 amendment,** effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; and in Subsection D, after "other than the spouse", added "or a supplemental needs trust to which the spouse is a beneficiary", after "unless that beneficiary is deceased", added "or otherwise terminated", and after "not a living", added "or operating".

**The 1993 amendment,** effective June 18, 1993, in Subsection B, deleted "or vested former member" from the end of the first sentence and inserted "retirement" in one place and "disability" in three places in the second sentence; rewrote Subsection C; in Subsection D, added the first through fourth sentences, substituted "The refund" for "If a



member or former member dies and no pension becomes payable on account of the death, the deceased member's or former member's accumulated member contributions" at the beginning of the fifth sentence, and deleted "or former member's" following "deceased member's" and "or former member" following "deceased member" in the last sentence; and deleted Subsection E, which provided for transfer of unclaimed member contributions to the income fund.

**Where mandatory duty on department heads.** — By the very wording of the statute a mandatory duty is placed upon each department head to see that proper deductions are made from eligible employees' salaries so that proper credit can be received by such employees under the terms and provisions of the public employees' retirement system of New Mexico. 1956 Op. Att'y Gen. No. 56-6370.

**Contributions not exempt from state income tax.** — The amounts deducted from the salaries of public employees for Public Employees Retirement Act contributions are not exempt from the state income tax. 1982 Op. Att'y Gen. No. 82-09.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — Retroactive change in rate of employee's contribution to public pension fund, validity of, 78 A.L.R.2d 1197.

81A C.J.S. States §§ 46, 112 to 119.

## **10-11-125. Member contributions; tax treatment.**

Upon implementation, each affiliated public employer shall, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code, pick up, for the purposes specified in that section, member contributions required by the Public Employees Retirement Act for all salary earned by the member after implementation. Member contributions picked up under the provisions of this section shall be treated as affiliated public employer contributions for purposes of determining income tax obligations under the Internal Revenue Code; however, such picked up member contributions shall be included in the determination of the member's gross annual salary for all other purposes under federal and state laws. Members' contributions picked up under this section shall continue to be designated member contributions for all purposes of the Public Employees Retirement Act and shall be considered as part of the member's salary for purposes of determining the amount of the member's contribution. The provisions of this section are mandatory, and the member shall have no option concerning the pick up or to receive the contributed amounts directly instead of having them paid by the affiliated public employer to the association. With respect to members employed by an affiliated public employer other than the state, implementation occurs upon the employer's filing of a resolution with the association stating the employer's intent to pick up member contributions as provided in this section. With respect to members employed by the state, implementation occurs upon authorization by the association. In no event may implementation occur other than at the beginning of a pay period.

**History:** Laws 1987, ch. 253, § 125.

## ANNOTATIONS

**Cross references.** — For Section 414(h) of the Internal Revenue Code, see 26 U.S.C. § 414(h).

**Provisions are salary reductions subject to FICA tax.** — "Pickup" provisions of this section and Section 22-11-21.1 NMSA 1978, whereby the state designated certain employee pension contributions as employer contributions, constitute salary reduction agreements, and, as such, are subject to FICA taxes under 26 U.S.C. § 3121(v)(1)(B), 42 U.S.C. § 409(l)(2), and 26 U.S.C. § 3306(r)(1)(B), following the 1984 amendments to those sections. *Public Emps. Ret. Bd. v. Shalala*, 153 F.3d 1160 (10th Cir. 1998).

### **10-11-126. Employers accumulation fund; employers contributions; transfers to retirement reserve fund.**

A. The employers accumulation fund is the fund in which shall be accumulated contributions by affiliated public employers. Except as provided in Section 5 [10-11-5 NMSA 1978] of the Public Employees Retirement Act, an affiliated public employer shall remit its contributions to the association in accordance with the procedures and schedules established by the association. The association may assess an interest charge and a penalty charge on any remittance not made by its due date.

B. Each year following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of pensions being paid and likely to be paid to retired members and survivor pension beneficiaries and residual refunds likely to be paid to refund beneficiaries of retired members and to survivor pension beneficiaries over the balance in the retirement reserve fund shall be transferred to the retirement reserve fund from the employers accumulation fund.

**History:** Laws 1987, ch. 253, § 126.

## ANNOTATIONS

**Employee contributions not exempt from state income tax.** — The amounts deducted from the salaries of public employees for the Public Employees Retirement Act contributions are not exempt from the state income tax. 1982 Op. Att'y Gen. No. 82-09.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States §§ 46, 112 to 119.

### **10-11-127. Retirement reserve fund.**

The retirement reserve fund is the fund from which shall be paid all pensions to retired members and survivor pension beneficiaries and all residual refunds to refund beneficiaries of retired members and survivor pension beneficiaries.

**History:** Laws 1987, ch. 253, § 127.

### **10-11-128. Income fund.**

The income fund is the fund to which shall be credited all interest, dividends, rents and other income from investments of the association, all gifts and bequests, all unclaimed member contributions and all other money the disposition of which is not specifically provided for in the Public Employees Retirement Act. There shall be paid or transferred from the income fund all administrative expenses of the association.

**History:** Laws 1987, ch. 253, § 128.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81A C.J.S. States §§ 46, 112 to 119.

### **10-11-129. Distribution of income fund.**

The association shall at least annually distribute all or a portion of the balance in the income fund to the member contribution fund, the retirement reserve fund and the employer accumulation fund. Distribution rates shall be determined by the retirement board and may vary by fund.

**History:** Laws 1987, ch. 253, § 129.

### **10-11-129.1. Legislative retirement fund.**

The "legislative retirement fund" is created in the state treasury. The fund shall consist of money distributed, transferred or otherwise accruing to the fund. Money in the fund may be appropriated by the legislature to finance state legislator member coverage plan 2 pursuant to the Public Employees Retirement Act. Income from investment of the fund shall accrue to the fund, and balances in the fund at the end of any fiscal year shall not revert to the general fund.

**History:** Laws 2003, ch. 85, § 13.

### **ANNOTATIONS**

**Effective dates.** — Laws 2003, ch. 85, § 14 made the act effective July 1, 2003.

### **10-11-130. Retirement board; authority; membership.**

A. The "retirement board" is created and is the trustee of the association and the funds created by the state retirement system acts and has all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the state

retirement system acts, including, in addition to any specific powers provided for in the Public Employees Retirement Act but without limiting the generality of the foregoing, the power to:

(1) administer the state retirement system acts, including the management of the association and making effective the provisions of those acts, as well as to administer and manage any other employee benefit acts as provided by law;

(2) in addition to utilizing services of the attorney general and notwithstanding any other provision of law, employ or contract with and compensate competent legal counsel to handle the legal matters and litigation of the retirement board and the association and to give advice and counsel in regard to any matter connected with the duties of the retirement board;

(3) administer oaths;

(4) adopt and use a seal for authentication of records, processes and proceedings;

(5) create and maintain records relating to all members, affiliated public employers and all activities and duties required of the retirement board;

(6) issue subpoenas and compel the production of evidence and attendance of witnesses in connection with any hearings or proceedings of the retirement board;

(7) make and execute contracts;

(8) purchase, acquire or hold land adjacent to the state capitol grounds or other suitable location and build thereon a building to house the association and its employees and, in the event additional office space is available in the building after the retirement board and its employees have been housed, to rent or lease the additional space to any public agency or private person; provided that first priority for the rental or leasing shall be to public agencies; and further provided that for the purpose of purchasing, acquiring or holding the land and the building thereon, the retirement board may use funds from the income fund and any other funds controlled by the retirement board the use of which for such purposes is not prohibited by law;

(9) after the sale of the land and building acquired pursuant to Paragraph (8) of this subsection, acquire land and build thereon a new building to house the association and its employees and hold the building and land in fee simple in the name of the association. In order to acquire the land and plan, design and construct the building, the retirement board may expend the proceeds of the sale of the land and building acquired pursuant to Paragraph (8) of this subsection or any funds controlled by the board, the use of which for such purposes is not otherwise prohibited by law;

(10) make and adopt such reasonable rules as may be necessary or convenient to carry out the duties of the retirement board and activities of the association, including any rules necessary to preserve the status of the association as a qualified pension plan under the provisions of the Internal Revenue Code of 1986, as amended, or under successor or related provisions of law;

(11) designate committees and designate committee members, including individuals who may not be members of the association; and

(12) select and contract for the services of one or more custodian banks for all funds under the retirement board's management. For the purpose of this paragraph, "custodian bank" means a financial institution with the general fiduciary duties to manage, control and collect the assets of an investment fund, including receiving all deposits and paying all disbursements as directed by staff, safekeeping of assets, coordination of asset transfers, timely settlement of securities transactions and accurate and timely reporting of the assets by individual account and in total.

B. The retirement board consists of:

(1) the secretary of state;

(2) the state treasurer;

(3) four members under a state coverage plan to be elected by the members under state coverage plans;

(4) four members under a municipal coverage plan to be elected by the members under municipal coverage plans, provided one member shall be a municipal member employed by a county; and

(5) two retired members to be elected by the retired members of the association.

C. The results of elections of elected members of the retirement board shall be certified at the annual meeting of the association. Elections shall be conducted according to rules the retirement board adopts from time to time.

D. The regular term of office of the elected members of the retirement board is four years. The term of one retirement board member under a state coverage plan expires annually on December 31. The terms of retirement board members under a municipal coverage plan expire on December 31 of noncoinciding years in the pattern set by the retirement board. Members of the retirement board serve until their successors have qualified.

E. A member elected to the retirement board who fails to attend four consecutively scheduled meetings of the retirement board, unless in each case excused for cause by

the retirement board members in attendance, is considered to have resigned from the retirement board, and the retirement board shall by resolution declare the office vacated as of the date of adoption of the resolution. A vacancy occurring on the retirement board, except in the case of an elected official, shall be filled by the remaining retirement board members, without requirement that a quorum be present. The member appointed to fill the vacancy serves for the remainder of the vacated term.

F. Members of the retirement board serve without salary for their services as retirement board members, but they shall receive those amounts authorized under the Per Diem and Mileage Act [10-8-1 to 10-8-8 NMSA 1978].

G. The retirement board shall hold four regular meetings each year and shall designate in advance the time and place of the meetings. Special meetings and emergency meetings of the retirement board may be held upon call of the chair or any three members of the retirement board. Written notice of special meetings shall be sent to each member of the retirement board at least seventy-two hours in advance of the special meeting. Verbal notice of emergency meetings shall be given to as many members as is feasible at least eight hours before the emergency meeting, and the meeting shall commence with a statement of the nature of the emergency. The retirement board shall adopt its own rules of procedure and shall keep a record of its proceedings. All meetings of the retirement board shall comply with the Open Meetings Act [Chapter 10, Article 15 NMSA 1978]. A majority of retirement board members shall constitute a quorum. Each attending member of the retirement board is entitled to one vote on each question before the retirement board, and at least a majority of a quorum shall be necessary for a decision by the retirement board.

H. Annual meetings of the members of the association shall be held in Santa Fe at such time and place as the retirement board shall from time to time determine. Special meetings of the members of the association shall be held in Santa Fe upon call of any seven retirement board members. The retirement board shall send a written notice to the last known residence address of each member currently employed by an affiliated public employer at least ten days prior to any meeting of the members of the association. The notice shall contain the call of the meeting and the principal purpose of the meeting. All meetings of the association shall be public and shall be conducted according to procedures the retirement board shall from time to time adopt. The retirement board shall keep a record of the proceedings of each meeting of the association.

I. Neither the retirement board nor the association shall allow public inspection of, or disclosure of, information from any member or retiree file unless a prior release and consent, in the form prescribed by the association, has been executed by the member or retiree; except that applicable coverage plans, amounts of retirement plan contributions made by members and affiliated public employers, pension amounts paid and the names and addresses of public employees retirement association members or retirees requested for election purposes by candidates for election to the retirement board may be produced or disclosed without release or consent.

**History:** Laws 1987, ch. 253, § 130; 1992, ch. 116, § 10; 1995, ch. 115, § 2; 1997, ch. 189, § 9; 2005, ch. 147, § 1; 2011, ch. 27, § 1.

## ANNOTATIONS

**Cross references.** — For the federal Internal Revenue Code, see 26 U.S.C. § 1 et seq.

**The 2011 amendment,** effective June 17, 2011, authorized the board to select a custodian bank.

**Temporary provisions.** — Laws 2011, ch. 178, § 14 provided:

A. No later than September 30, 2013, the retirement board of the public employees retirement association and the educational retirement board shall each cause an actuarial study to be conducted for each retirement system administered by the board. Each study shall analyze whether the higher employee contribution rates and lower employer contribution rates required by Laws 2011, Chapter 178 and Laws 2009, Chapter 127 have had or will have an adverse actuarial effect on the retirement system in violation of Article 20, Section 22 of the constitution of New Mexico. The results of each study shall be submitted to the legislative finance committee and the governor.

B. If a study concludes that a retirement system has had or will have an adverse actuarial effect as a result of the higher employee contribution rates and the lower employer contribution rates required by Laws 2011, Chapter 178 and Laws 2009, Chapter 127, the board that administers that retirement system shall submit a request for a supplemental appropriation to the second session of the fifty-first legislature in the amount that will rectify the adverse actuarial effect.

**The 2005 amendment,** effective April 5, 2005, added Subsection A(9) to grant the power to acquire land and build a new building on the land to house the public employees retirement association.

**The 1997 amendment,** effective June 20, 1997, in Paragraph A(2), inserted "and notwithstanding any other provision of law", inserted "or contract with and compensate" and inserted "and litigation"; rewrote Subsection C; in Subsection E, separated the former last sentence into two sentences, deleted "until the next election of the association, at which time a successor shall be elected" following "present" and added "The member appointed to fill the vacancy shall serve" at the beginning of the last sentence; and added Subsection I.

**The 1995 amendment,** effective June 16, 1995, substituted "two retired members" for "one retired member" in Subsection B(5) and "retirement board members" for "retirement board member" in Subsection F.

**The 1992 amendment,** effective July 1, 1992, inserted "and the funds created by the state retirement system acts" and substituted "state retirement system acts" for "Public

Employees Retirement Act" in the introductory paragraph of Subsection A; substituted "state retirement system acts" for "Public Employees Retirement Act" and "those acts" for "that act" in Subsection A(1); deleted "and, in the discretion of the retirement board" at the end of Subsection A(2); substituted "capitol" for "capital" and deleted "public employees retirement" preceding "association" near the beginning of Subsection A(8); substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of the United States" in Subsection A(9); deleted "at least" following "provided" in Subsection B(4); and, in Subsection H, inserted "currently employed by an affiliated public employer" in the third sentence, while adding "of the members of the association" at the end of that sentence.

**Effect of employment termination on board membership.** — There is nothing in the [Public Employees] Retirement Act for the termination of membership on the retirement board upon termination of employment. 1959 Op. Att'y Gen. No. 59-191.

**The public office of member of the Public Employees Retirement Board,** a state agency, is a nonsalaried, policy-making position. Board members have no constitutionally protected property interest in the position. 1989 Op. Att'y Gen. No. 89-24.

**Amendment to board rule concerning nominations to the board was legal,** where the board complied with procedural rule-making requirements, the rule did not conflict with the board's statutory authority, and the amendment did not operate retroactively to divest any nominee of any vested right. 1989 Op. Att'y Gen. No. 89-24.

**Rule limiting member composition to one member complies with subsection.** — Subsection B(4) requires that "at least one" municipal member on the board be a county employee, but does not require that more than one be a county employee. Therefore, a board rule limiting the municipal member composition to only one county member complies with the subsection. 1989 Op. Att'y Gen. No. 89-24. (decided prior to 1992 amendment.)

**The public employee retirement association possesses the legal authority to deduct union dues, and the administrative costs of such deductions, from pension benefits.** — The Public Employees Retirement Act (act) does not address whether the public employees retirement association (PERA) may deduct union dues for its beneficiaries that are also union members, but it does appear that the policy purpose behind the act is to ensure that members benefit from a state-backed retirement plan that accounts for membership needs, including remittance or withholding of funds on behalf of its members, and therefore, where a subsection of PERA's beneficiaries sought dues deductions from their respective benefit amounts for union membership, PERA had the legal authority to deduct union dues from pension benefits of PERA members who are also members of unions. Furthermore, if this subsection of beneficiaries consent to absorbing the administrative costs that accompany the deductions and subsequent remittances to the unions, the subject beneficiaries are knowingly and willingly accepting those administrative costs, which



would also appear to comply with the act. *PERA Deduction of Dues from PERA Retirement Benefits for RPENM and AFSCME Members and Reimbursement of PERA's Administrative Costs for the Dues Deduction (8/25/21)*, [Att'y Gen. Adv. Ltr. 2021-09](#).

### **10-11-130.1. Restrictions on receipt of gifts; restriction on campaign contributions; required reporting.**

A. Except for gifts of food or beverage given in a place of public accommodation, consumed at the time of receipt, not exceeding fifty dollars (\$50.00) for a single gift and the aggregate value of which gifts may not exceed one hundred fifty dollars (\$150) in a calendar year, neither a retirement board member nor an employee of the retirement board or association shall receive or accept anything of value directly or indirectly from a person who:

- (1) has a current contract with the retirement board or association;
- (2) is a potential bidder, offeror or contractor for the provision of services or personal property to the retirement board or association;
- (3) is authorized to invest public funds pursuant to state or federal law or is an employee or agent of such a person; or
- (4) is an organization, association or other entity having a membership that includes persons described in Paragraphs (1) through (3) of this subsection.

B. No person who is a candidate in a primary or general election for a position that qualifies the person for ex-officio membership on the retirement board, no member serving ex officio on the retirement board and no person who is a nominee for retirement board membership by election by some or all of the members of the association pursuant to the Public Employees Retirement Act shall accept anything of a value of more than twenty-five dollars (\$25.00) as a contribution to an ex-officio member's statewide campaign in a primary or general election or as a contribution to the campaign of a nominee for membership on the board as a member elected by all or some of the members of the association from a person who:

- (1) has a current contract with the retirement board or association;
- (2) is a potential bidder, offeror or contractor for the provision of services or personal property to the retirement board or association;
- (3) is authorized to invest public funds pursuant to state or federal law or is an employee or agent of such a person; or
- (4) is an organization, association or other entity having a membership that includes persons described in Paragraphs (1) through (3) of this subsection.

C. Within ten days after an election in which one or more board members are elected by some or all of the members of the association pursuant to the Public Employees Retirement Act, all persons who were candidates for board membership in that election shall file with the association a report disclosing all contributions to their respective campaigns whether made directly to the candidate, a political action committee or to some other entity supporting the candidate's election. The contributions shall be reported by amount and specific source. Within sixty days after the election, the association shall publish the reports required by this subsection.

**History:** Laws 1999, ch. 153, § 1.

### **10-11-131. Retirement board; officers; employment of services.**

A. The retirement board shall elect from its own number a chairman and a vice chairman.

B. The retirement board shall appoint an executive director who shall be the chief administrative officer for the retirement board and the association.

C. The retirement board shall employ professional, technical, clerical and other services as required for the operation of the association. The compensation for employed services shall be fixed by the retirement board.

D. The state treasurer shall be the treasurer of the association and the custodian of its funds. The treasurer's general bond to the state shall cover all liability for acts as treasurer of the association. The treasurer shall credit all receipts of money and assets of the association to the association. The treasurer shall make disbursements from association assets only upon warrants issued by the secretary of finance and administration based upon vouchers signed by the executive secretary or vouchers signed by the state treasurer for purposes of investment.

**History:** Laws 1987, ch. 253, § 131; 1997, ch. 189, § 10.

### **ANNOTATIONS**

**The 1997 amendment**, effective June 20, 1997, substituted "director" for "secretary" in Subsection B.

**Generally, as to salary of executive secretary.** — The retirement board has the authority to fix the salary of the executive secretary of such board, and in the absence of any attempt of the state personnel board to classify the position and fix the salary of the executive secretary, no consent or approval from said board is required. 1955 Op. Att'y Gen. No. 55-6070.

### **10-11-132. Investment of funds; prudent investor standard; indemnification of board members.**

The funds created by the state retirement system acts are trust funds of which the retirement board is trustee. Members of the retirement board jointly and individually shall be indemnified by the state from the funds administered by the retirement board from all claims, demands, suits, actions, damages, judgments, costs, charges and expenses, including court costs and attorney fees and against all liability losses and damages of any nature that members shall or may sustain by reason of any decision made in the performance of their duties pursuant to the state retirement system acts. The retirement board shall invest and reinvest the funds in accordance with the Uniform Prudent Investor Act [45-7-601 to 45-7-612 NMSA 1978].

**History:** Laws 1987, ch. 253, § 132; 1989, ch. 46, § 1; 1992, ch. 116, § 11; 1995, ch. 94, § 1; 1997, ch. 189, § 11; 2003, ch. 345, § 1; 2005, ch. 240, § 4.

## ANNOTATIONS

**Cross references.** — For the federal Investment Company Act of 1940, see 15 U.S.C.S. § 80a-1 et seq.

**The 2005 amendment,** effective July 1, 2005, deleted former Subsections A through J which provided the classes of securities and investments in which the retirement board could invest and reinvest funds; provided that the retirement board shall invest and reinvest the funds in accordance with the Uniform Prudent Investor Act.

**Severability.** — Laws 2005, ch. 240, § 8 provided that if any part or application of this act is held invalid, the remainder or its application to other situations or persons shall likewise be invalid and that the provisions of this act are not severable.

**The 2003 amendment,** effective June 20, 2003, in Subsection E, deleted language concerning stock listed on a stock exchange approved or controlled by the securities and exchange commission and substituted "B" for "BBB" and "B" for "Baa" in the first proviso and substituted "not more than ten percent of" for "own more than ten percent of the voting stock of a company" in the second proviso and added the language beginning "be invested in debt obligations" through to the end of the subsection; inserted Subsection F and redesignated the remaining subsections accordingly.

**The 1997 amendment,** effective June 20, 1997, rewrote Subsections F and G; deleted former Subsections H through K, relating to insured savings deposits, industrial revenue bonds, notes or obligations securing loans made pursuant to the Small Business Act of 1953, and notes or obligations securing loans secured by first mortgages on real estate located in New Mexico, respectively; and redesignated the remaining subsections accordingly.

**The 1995 amendment,** effective June 16, 1995, added Subsection G; redesignated former Subsections G through K as Subsections H through L; added Subsection M; and made minor stylistic changes.

**The 1992 amendment**, effective July 1, 1992, rewrote the introductory paragraph; inserted "treasury" and "government" in Subsection A; in Subsection B, inserted "that are registered by the United States Security and Exchange Commission, are publicly traded and are" near the beginning of the first sentence and deleted "for more than three months" following "default" near the end of that sentence; rewrote the provisions of Subsections C to G and redesignated them as Subsections C to F; redesignated Subsection H as Subsection G, while substituting "agency or corporation of the United States government" for "agency of the United States"; rewrote Subsection I and redesignated it as Subsection H; redesignated Subsection J as Subsection I, while substituting "that" for "which" near the middle of the second sentence; redesignated Subsection K as Subsection J while substituting "that" for "which" near the beginning of the subsection and inserting "government" near the end of the subsection; deleted Subsection L, relating to loans pursuant to the federal Higher Education Act of 1965; and redesignated Subsection M as Subsection K, while substituting "that are authorized" for "which are authorized" near the middle of the subsection.

**Investment in mortgages.** — Under this section, and without violating its fiduciary obligation as trustee, the retirement board may properly invest in a share of a mortgage guaranteed by the United States and the federal housing administration. 1958 Op. Att'y Gen. No. 58-172.

### **10-11-133. Investment of funds; prudent investor standard; conditions.**

A. Commissions paid for the purchase and sale of any security shall not exceed brokerage rates prescribed and approved by stock exchanges that have been approved by or are under the control of the United States securities and exchange commission or by industry practice.

B. The retirement board shall invest and manage the funds administered by the retirement board in accordance with the Uniform Prudent Investor Act [45-7-601 to 45-7-612 NMSA 1978].

C. The retirement board shall provide quarterly performance reports to the legislative finance committee and the department of finance and administration. Annually, the retirement board shall ratify and provide its written investment policy, including any amendments, to the legislative finance committee and the department of finance and administration.

D. Securities purchased with money from or held for any fund administered by the retirement board and for which the retirement board is trustee shall be in the custody of the state treasurer who shall, at the direction of the retirement board, deposit with a bank or trust company the securities for safekeeping or servicing.

E. The retirement board may consult with the state investment council or state investment officer and request information or advice with respect to the retirement

board's overall investment plan, may utilize the services of the state investment council and state investment officer and may act on their advice concerning the plan. The state investment council and state investment officer shall render investment services to the retirement board without expense to the retirement board. The retirement board may also employ the investment management services and related management services of a trust company or national bank exercising trust powers or of an investment counseling firm or brokers for the purchase and sale of securities, commission recapture and transitioning services and may pay reasonable compensation for such services from funds administered by the retirement board. The terms of any such investment management services contract shall incorporate the statutory requirements for investment of funds under the retirement board's jurisdiction.

F. The retirement board shall annually provide for its members no less than eight hours of training in pension fund investing, fiduciary obligations or ethics. A member elected to the retirement board who fails to attend the training for two consecutive years shall be deemed to have resigned from the retirement board.

G. Except as provided in the Public Employees Retirement Act, a member of the retirement board, employee of the retirement board or any person connected with the retirement board in any manner shall not:

(1) have any direct or indirect interest in the gains or profits of any investment made by the retirement board;

(2) receive any direct or indirect pay or emolument for services provided to the retirement board or the association;

(3) directly or indirectly, for the member, employee or person, for themselves or as agent or partner of others, borrow any of the funds or deposits of the association or in any manner use them except to make current and necessary payments authorized by the retirement board; or

(4) become an endorser or surety or become in any manner an obligor for money of the retirement board loaned or borrowed.

**History:** Laws 1987, ch. 253, § 133; 1989, ch. 46, § 2; 1992, ch. 116, § 12; 2005, ch. 240, § 5; 2009, ch. 288, § 11.

## ANNOTATIONS

**The 2009 amendment,** effective July 1, 2009, added Subsection F.

**Temporary provisions.** — Laws 2009, ch. 288, § 19, effective April 10, 2009, created a retirement systems solvency task force to study the actuarial soundness and solvency of the retirement plans of the public employees retirement association, the educational

retirement association and the health care plan of the retiree health care authority, and prepare a solvency plan for each entity.

**The 2005 amendment**, effective July 1, 2005, deleted the former provision in Subsection B, which provided that the prudent man rule applies to investment of money of the association; added Subsection B to provide that the retirement board invest and manage the fund in accordance with the Uniform Prudent Investor Act; added Subsection C to provide that the retirement board shall provide reports and investment policies to the legislative finance committee and the department of finance and administration; and provided in Subsection E that the retirement board may employ related management services in addition to investment management services of brokers for the purchase and sale of securities, commission recapture and transitioning services.

**The 1992 amendment**, effective July 1, 1992, substituted all of the language of Subsection A beginning with "stock exchanges" for "national stock exchanges or by industry practice"; inserted "of securities" and "or below" in the second sentence of Subsection B; substituted "administered by the retirement board and for which the retirement board is trustee" for "of the association" in Subsection C; and, in Subsection D, substituted "may" for "shall" in the first sentence, and substituted "administered by the retirement board" for "of the association" at the end of the third sentence; and made minor stylistic changes throughout the section.

### **10-11-133.1. Disclosure of third-party marketers; penalty.**

A. The retirement board shall not make any investment, other than investments in publicly traded equities or publicly traded fixed-income securities, unless the recipient of the investment discloses the identity of any third-party marketer who rendered services on behalf of the recipient in obtaining the investment and also discloses the amount of any fee, commission or retainer paid to the third-party marketer for the services rendered.

B. Information disclosed pursuant to Subsection A of this section shall be included in the quarterly performance reports of the retirement board.

C. Any person who knowingly withholds information required by Subsection A of this section is guilty of a fourth degree felony and shall be punished by a fine of not more than twenty thousand dollars (\$20,000) or by imprisonment for a definite term not to exceed eighteen months or both.

D. As used in this section, "third-party marketer" means a person who, on behalf of an investment fund manager or other person seeking an investment from the fund and under a written or implied agreement, receives a fee, commission or retainer for such services from the person seeking an investment from the fund.

**History:** Laws 2009, ch. 152, § 2.

## ANNOTATIONS

**Effective dates.** — Laws 2009, ch. 152 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 19, 2009, 90 days after the adjournment of the legislature.

### **10-11-134. Survivor benefit fund; disposition.**

A. The pensions being paid from the survivor benefit fund on June 30, 1987 shall thereafter be paid from the retirement reserve fund.

B. The actuarial present value of pensions being paid from the survivor benefit fund on June 30, 1987 shall be transferred from the survivor benefit fund to the retirement reserve fund.

C. Affiliated public employer contributions to the survivor benefit fund shall be discontinued effective the first full pay period after June 30, 1987.

D. Each affiliated public employer contributing to the survivor benefit fund as of June 30, 1987 shall have its equity in the survivor benefit fund credited toward future employer contributions. The amount of credit shall be transferred from the survivor benefit fund to the employer accumulation fund as credits are earned.

E. The association shall determine the equity of each affiliated public employer in the survivor benefit fund in proportion to contributions made during the year ended June 30, 1986 and the number of months the affiliated public employer has contributed to the survivor benefit fund. The determination shall be made after the provisions of Subsections A and B of this section have been implemented.

**History:** Laws 1987, ch. 253, § 134.

## ANNOTATIONS

**Compiler's notes.** — Laws 1987, ch. 355, § 10 provided that notwithstanding other acts of the legislature, the contributions made by the New Mexico state police and the corrections department to the public employees' retirement association for the survivors' benefit fund are hereby suspended.

### **10-11-135. Funds not subject to process.**

Except as provided in Sections 10-11-136 and 10-11-136.1 NMSA 1978, none of the money, pensions or other benefits mentioned in the Public Employees Retirement Act shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment or other legal process.

**History:** Laws 1987, ch. 253, § 135; 1989, ch. 125, § 1; 1990, ch. 49, § 14.

## ANNOTATIONS

**Cross references.** — For exemption from legal process for Judicial Retirement Act benefits, see 10-12B-7 NMSA 1978.

For exemption from legal process for Magistrate Retirement Act benefits, see 10-12C-7 NMSA 1978.

For exemption from legal process for Educational Retirement Act benefits, see 22-11-42 NMSA 1978.

For exemption from legal process for interest from state police pension fund, see 29-4-10 NMSA 1978.

For exemption from legal process for married persons or heads of households, see 42-10-1 NMSA 1978.

For rules governing garnishment and writs of execution in the district, magistrate, and metropolitan courts, see Rules 1-065.1, 2-801, and 3-801 NMRA, respectively.

For form for claim of exemptions on executions, see Rule 4-803 NMRA.

For form for order on claim of exemption and order to pay in execution proceedings, see Rule 4-804 NMRA.

For form for application for writ of garnishment and affidavit, see Rule 4-805 NMRA.

For form for notice of right to claim exemptions from execution, see Rule 4-808A NMRA.

For form for claim of exemption from garnishment, see Rule 4-809 NMRA.

**Repeal of tax exemption.** — Because no private contractual rights were granted by the retirement plan, there was no impairment or breach of contract resulting from the 1990 repeal of the tax exemption provision and, although the plan conferred property rights that vested upon accumulating minimum earned service credits, those rights did not include the right to receive pension benefits exempt from tax. *Pierce v. State*, 1996-NMSC-001, 121 N.M. 212, 910 P.2d 288.

Because the retirement plan provided no contractual or vested right to receive an irrevocable tax exemption, there was no constitutionally protected private interest in the tax exemption and there was no due process violation when the exemption was repealed. *Pierce v. State*, 1996-NMSC-001, 121 N.M. 212, 910 P.2d 288.

**Income tax exemptions may be properly denied.** — The legislature may grant a special income tax exemption to one kind of public employee, teachers, yet deny the



same exemption to other public employees. *Vaughn v. State Taxation & Revenue Dep't*, 1982-NMCA-112, 98 N.M. 362, 648 P.2d 820.

**Enactment reflects legislative recognition.** — This enactment is simply a recognition by the legislature that for the most part persons drawing state retirement benefits are those of advanced age whose economic situation in living on a small fixed income in a period of rising prices is already perilous. 1962 Op. Att'y Gen. No. 62-13.

**Effect of state income tax amendments.** — The 1961 amendment of the statutes relative to state income tax did not have the effect of making annuities and benefits paid pursuant to the Public Employees' Retirement Act subject to state income tax. 1962 Op. Att'y Gen. No. 62-13.

**"Trading" tax exemptions for health care.** — Repeal of the state income tax exemptions for teacher pensions and public employee pensions does not remedy constitutional defects of the proposed retiree health care act under a theory that those exemptions would be "traded" for retiree health care. Those exemptions are not property rights, irrevocable contractual entitlements, or pension benefits. Hence, elimination of the favorable tax treatment for current retirees is not consideration for a multi-million dollar health care plan that the state proposes to provide them. 1990 Op. Att'y Gen. No. 90-03.

**Law reviews.** — For article, "Attachment in New Mexico - Part II," see 2 Nat. Resources J. 75 (1962).

### **10-11-136. Division of funds as community property.**

A court of competent jurisdiction, solely for the purposes of effecting a division of community property in a divorce or legal separation proceeding, may provide by appropriate order for a determination and division of a community interest in the pensions or other benefits provided for in the Public Employees Retirement Act. In so doing, the court shall fix the manner in which warrants shall be issued, may order direct payments to a person with a community interest in the pensions or other benefits, may require the election of a specific form of payment and designation of a specific survivor pension beneficiary, refund beneficiary or survivor pension beneficiary designated in accordance with Section 10-11-14.5 NMSA 1978 and may restrain the refund of accumulated member contributions. Payments made pursuant to such orders shall only be made when member contributions are refunded or a pension is payable in accordance with the provisions of the Public Employees Retirement Act. The court shall not alter the manner in which the amount of pensions or other benefits is calculated by the association or cause any increase in the actuarial present value of the pensions or other benefits to be paid by the association.

**History:** Laws 1987, ch. 253, § 136; 1991, ch. 149, § 2; 1993, ch. 160, § 7; 1995, ch. 115, § 3.

## ANNOTATIONS

**Cross references.** — For exemption from legal process for Public Employees Retirement Act benefits, see 10-11-135 NMSA 1978.

For exemption from legal process for Judicial Retirement Act benefits, see 10-12B-7 NMSA 1978.

For exemption from legal process for Magistrate Retirement Act benefits, see 10-12C-7 NMSA 1978.

For exemption from legal process for Educational Retirement Act benefits, see 22-11-42 NMSA 1978.

For exemption from legal process for interest from state police pension fund, see 29-4-10 NMSA 1978.

For exemption from legal process for married persons or heads of households, see 42-10-1 NMSA 1978.

For rules governing garnishment and writs of execution in the district, magistrate, and metropolitan courts, see Rules 1-065.1, 2-801, and 3-801 NMRA, respectively.

For form for claim of exemptions on executions, see Rule 4-803 NMRA.

For form for order on claim of exemption and order to pay in execution proceedings, see Rule 4-804 NMRA.

For form for application for writ of garnishment and affidavit, see Rule 4-805 NMRA.

For form for notice of right to claim exemptions from execution, see Rule 4-808A NMRA.

For form for claim of exemption from garnishment, see Rule 4-809 NMRA.

**The 1995 amendment**, effective June 16, 1995, substituted "Section 10-11-14.5" for "Section 10-11-14" in the second sentence and inserted the third sentence.

**The 1993 amendment**, effective June 18, 1993, inserted "in a divorce or legal separation proceeding" in the first sentence.

**The 1991 amendment**, effective July 1, 1991, inserted "may require the election of a specific form of payment and designation of a specific survivor pension beneficiary, refund beneficiary or survivor pension beneficiary designated in accordance with Section 10-11-14 NMSA 1978" in the second sentence and made minor stylistic changes.

## **10-11-136.1. Legal process to satisfy child support obligations.**

A court of competent jurisdiction, solely for the purposes of enforcing current or delinquent child support obligations, may provide by appropriate order for withholding amounts due in satisfaction of current or delinquent child support obligations from the pensions or other benefits provided for in the Public Employees Retirement Act and for payment of such amounts to third parties. The court shall not alter the manner in which the amount of pensions or other benefits is calculated by the association. The court shall not cause any increase in the actuarial present value of the pensions or other benefits to be paid by the association. Payments made pursuant to such orders shall only be made when member contributions are refunded or a pension is payable in accordance with the provisions of the Public Employees Retirement Act; in no case shall more money be paid out, either in a lump sum or in monthly benefits, of association funds in enforcement of current or delinquent child support obligations than would otherwise be payable at that time.

**History:** 1978 Comp., § 10-11-136.1, enacted by Laws 1989, ch. 125, § 2; 1993, ch. 160, § 8.

### **ANNOTATIONS**

**Cross references.** — For exemption from legal process for Public Employees Retirement Act benefits, see 10-11-135 NMSA 1978.

For rules governing garnishment and writs of execution in the district, magistrate, and metropolitan courts, see Rules 1-065.1, 2-801, and 3-801 NMRA, respectively.

For form for claim of exemptions on executions, see Rule 4-803 NMRA.

For form for order on claim of exemption and order to pay in execution proceedings, see Rule 4-804 NMRA.

For form for application for writ of garnishment and affidavit, see Rule 4-805 NMRA.

For form for notice of right to claim exemptions from execution, see Rule 4-808A NMRA.

For form for claim of exemption from garnishment, see Rule 4-809 NMRA.

**The 1993 amendment**, effective June 18, 1993, inserted "the" before "Public Employees Retirement Act" in the first sentence and substituted the language beginning "member contributions are refunded" and ending "Public Employees Retirement Act" for "the member terminates public employment and requests a refund of contributions or when the member retires" in the last sentence.

## **10-11-137. Insurance and banking laws not applicable.**

None of the laws of this state regulating insurance or insurance companies or banking institutions shall apply to the association.

**History:** Laws 1987, ch. 253, § 137.

### ANNOTATIONS

**Cross references.** — For exemption from legal process for Public Employees Retirement Act benefits, see 10-11-135 NMSA 1978.

For exemption from legal process for Judicial Retirement Act benefits, see 10-12B-7 NMSA 1978.

For exemption from legal process for Magistrate Retirement Act benefits, see 10-12C-7 NMSA 1978.

For exemption from legal process for Educational Retirement Act benefits, see 22-11-42 NMSA 1978.

For exemption from legal process for interest from state police pension fund, see 29-4-10 NMSA 1978.

For exemption from legal process for married persons or heads of households, see 42-10-1 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 243.

### **10-11-138. Gifts and bequests.**

The retirement board is authorized and empowered to receive donations, gifts and bequests and credit them to the income fund.

**History:** Laws 1987, ch. 253, § 138.

### ANNOTATIONS

**Effect of gift on annuity.** — A retired member of the public employees' retirement association who was granted an annuity effective March 20, 1957, of \$66.13 per month could not reduce his annuity by \$1.00 per month by contributing or giving said \$1.00 per month as a gift to the public employees' retirement association. 1959 Op. Att'y Gen. No. 59-119.

**Public Employees Retirement Board members could not accept expense-paid trip.** — Public Employees Retirement Board members could not accept an offer of an

expense-paid trip to Columbus, Ohio to be hosted by Public Employees Benefit Services Corporation. 1989 Op. Att'y Gen. No. 89-21.

### **10-11-139. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 29, § 2 repealed 10-11-139 NMSA 1978, as enacted by Laws 1987, ch. 176, § 1, relating to the applicability of definitions, effective June 18, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

### **10-11-140. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1989, ch. 80, § 2 repealed 10-11-140 NMSA 1978, as amended by Laws 1988, ch. 110, § 1, relating to purchase of service credit, effective July 1, 1992.

### **10-11-141. Purchase of service credit.**

An affiliated public employer that assumes a firefighting function previously provided by the United States department of energy may, at the time of the assumption of the firefighting function, provide credited service for retirement board purposes to any employees who were previously employed by a firefighting unit of the United States department of energy at the Los Alamos area office in connection with the assumed firefighting function or were previously employed as security inspectors in a protective force of the United States department of energy at the Los Alamos area office. The credited service may be provided by the affiliated public employer subject to the following conditions:

A. the employee shall pay to the retirement board the difference between the actuarial present value of association benefits likely to be paid the employee computed with and without the United States department of energy service;

B. the employee, within one year of the assumption of the governmental function, irrevocably forfeits all rights based upon employee contributions in and to the immediate vested or nonvested retirement benefits under the retirement program of the United States department of energy in which the employee was participating immediately prior to the assumption of the governmental function;

C. the payments made under Subsections A and B of this section shall be made in a lump sum. The employee may purchase service credit equivalent to the employee's service in a firefighting unit of the United States department of energy at the Los Alamos area office or as a security inspector or in a protective force of the United States department of energy at the Los Alamos area office. The employee shall make a written

election concerning payment and payment shall be made not later than December 1, 1998, and any election made thereafter shall be void; and

D. the amount of service credit purchased pursuant to this section shall not exceed five years.

**History:** Laws 1993, ch. 29, § 1; 1994, ch. 128, § 16; 1998, ch. 18, § 1.

### ANNOTATIONS

**The 1998 amendment**, effective July 1, 1998, subject to the contingency described in the Compiler's Notes, substituted "department of energy" for "government" throughout the section; in the introductory paragraph, substituted "department of energy at the Los Alamos area office" for "government" and inserted the language beginning with "or were previously employed" at the end of the first sentence; deleted "public employees" preceding "retirement" in Subsection A; in Subsection C, deleted the language beginning with "or by entering into an installment" following "lump sum" at the end of the first sentence and inserted the language beginning with "at the Los Alamos area office" in the second sentence, inserted "and payment shall be made" and substituted "1998" for "1996" following "December 1," in the last sentence; added Subsection D; and made minor stylistic changes throughout the section.

**Compiler's notes.** — Laws 1998, ch. 18, § 2 provided that the act shall become effective July 1, 1998, unless the public employees retirement association receives an unfavorable ruling relating to its provisions from the internal revenue service. As no tax ruling was requested or received by the state prior to July 1, 1998, this section was set out as amended by Laws 1998, ch. 18, § 1.

**The 1994 amendment**, effective May 18, 1994, amended Subsection C to substitute "1996" for "1993" in the third sentence and made minor stylistic changes.

### **10-11-142. Notice of eligibility and changes in benefits.**

The association shall give written notice, to the member's last known address of record, to a member when:

A. the member meets the minimum age and service requirements for normal retirement pursuant to the coverage plan applicable to the member; or

B. when a change has been made, by law or rule, to a retirement requirement that applied to the member prior to the change or to the amount of normal retirement pension for which the member would have been eligible prior to the change.

**History:** Laws 2009, ch. 158, § 1.

### ANNOTATIONS

**Effective dates.** — Laws 2009, ch. 158, § 2 made Laws 2009, ch. 158, § 1 effective July 1, 2009.

### **10-11-143. Contribution rate reductions; coverage plan funded ratio.**

A. Prior to May 1 of each year, the retirement board shall certify to the association the coverage plan funded ratio for each coverage plan as of June 30 of the preceding calendar year.

B. If a certified coverage plan funded ratio is greater than or equal to eighty percent pursuant to Subsection A of this section, the retirement board shall certify to the association the projected funded ratio of the coverage plan, including any potential contribution rate reductions, for July 1 of the next succeeding fiscal year.

C. If the projected coverage plan funded ratio, calculated pursuant to Subsection B of this section, is equal to or greater than:

(1) eighty percent and less than ninety percent, the employer and employee contribution rates for the coverage plan shall each be reduced by five-tenths percent in the next fiscal year;

(2) ninety percent and less than one hundred percent, the employer and employee contribution rates for the coverage plan shall each be reduced by one percent in the next fiscal year; or

(3) one hundred percent, the employer and employee contribution rates for the coverage plan shall each be reduced by two percent in the next fiscal year.

D. The percentage of the employer and employee contribution shall not be reduced to less than the employer and employee contribution rates in effect on June 30, 2020.

**History:** Laws 2020, ch. 11, § 62.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2020, ch. 11, § 67 made Laws 2020, ch. 11, § 62 effective July 1, 2022.

## **ARTICLE 11A Volunteer Firefighters Retirement**

### **10-11A-1. Short title.**

Chapter 10, Article 11A NMSA 1978 may be cited as the "Volunteer Firefighters Retirement Act".

**History:** Laws 1983, ch. 263, § 1; 2003, ch. 370, § 1.

### ANNOTATIONS

**The 2003 amendment**, effective June 20, 2003, substituted "Chapter 10, Article 11A NMSA 1978" for "This act".

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 60A Am. Jur. 2d Pensions and Retirement Funds §§ 1616, 1633, 1635.

62 C.J.S. Municipal Corporations §§ 595, 614.

### 10-11A-2. Definitions.

As used in the Volunteer Firefighters Retirement Act:

- A. "association" means the public employees retirement association;
- B. "board" means the retirement board of the association;
- C. "fire department" means a fire department with volunteer members that is certified by the state fire marshal's office;
- D. "fund" means the volunteer firefighters retirement fund; and
- E. "member" means a volunteer nonsalaried firefighter who is listed as an active member on the rolls of a fire department and whose first year of service credit was accumulated during or after the year the member attained the age of sixteen. A volunteer firefighter who receives reimbursement for personal out-of-pocket costs shall not be considered a salaried firefighter.

**History:** Laws 1983, ch. 263, § 2; 2003, ch. 370, § 2; 2009, ch. 262, § 1; 2020, ch. 9, § 25.

### ANNOTATIONS

**The 2020 amendment**, effective July 1, 2021, revised the definition of "fire department" as used in the Volunteer Firefighters Act; and in Subsection C, after "certified by the", deleted "fire marshal division of the public regulation commission" and added "state fire marshal's office".

**The 2009 amendment**, effective June 19, 2009, in Subsection C, after "means", deleted "any volunteer"; after "fire department", added "with volunteer members that is"



and after "fire marshal", deleted "bureau of the insurance"; and in Subsection E, added the last sentence.

**The 2003 amendment**, effective June 20, 2003, deleted "public employee retirement" from Subsection B; substituted "marshal bureau of the insurance division of the public regulation commission" for "state fire marshal's office" in Subsection C; and deleted the end of the first sentence and the last sentence of Subsection E which read " and no later than during the year in which he attained the age of forty-five. Excluded from membership is any volunteer nonsalaried firefighter who has been retired by or is receiving an annuity from any other retirement, pension or annuity plan created and established by the state or any of its political subdivisions, except the state police pension fund established under the provisions of Sections 29-4-1 through 29-4-11 NMSA 1978".

**Retroactive effect of 2003 amendment.** — Although the legislature has amended Subsection E of this section to apply to volunteer firefighters whose first year of service credit was accumulated during or after the year the firefighter attained the age of 16, the amended section makes no mention of retroactive effect. *Gill v. Pub. Emps. Ret. Bd.*, 2004-NMSC-016, 135 N.M. 472, 90 P.3d 491.

**Membership exclusions.** — A Public Employees Retirement Act member, having entitlement to PERA retirement benefits upon meeting the necessary age and service requirements, may not also participate in and receive benefits under the Volunteer Firefighters Retirement Act. 1987 Op. Att'y Gen. No. 87-75.

**Law reviews.** — For note and comment: "For This Right There is a Remedy: The New Mexico Supreme Court's Application of Ex Parte Young to Allow Suits Against the State in *Gill v. Public Employees Retirement Board*", see 35 N.M.L. Rev. 501 (2005).

### **10-11A-3. Volunteer firefighters retirement fund; creation; transfer of funds from the fire protection fund.**

A. There is created the "volunteer firefighters retirement fund" in the state treasury. All annuities and benefits in lieu of annuities shall be paid from the fund as provided in the Volunteer Firefighters Retirement Act.

B. Beginning in fiscal year 1998, the state treasurer shall transfer annually on or before the last day of July seven hundred fifty thousand dollars (\$750,000) plus an additional two hundred fifty thousand dollars (\$250,000) for fiscal year 1998 plus an additional two hundred fifty thousand dollars (\$250,000) for fiscal year 1999 plus an additional five hundred thousand dollars (\$500,000) for fiscal year 2000 from the fire protection fund to the credit of the volunteer firefighters retirement fund.

**History:** Laws 1983, ch. 263, § 3; 1996, ch. 8, § 1; 1997, ch. 150, § 1.

## **ANNOTATIONS**

**The 1997 amendment**, effective June 20, 1997, substituted "1998" for "1997", inserted "plus an additional two hundred fifty thousand dollars (\$250,000) for fiscal year 1998 plus an additional two hundred fifty thousand dollars (\$250,000) for fiscal year 1999 plus an additional five hundred thousand dollars (\$500,000) for fiscal year 2000", and substituted "fire protection" for "general" preceding "fund" in Subsection B.

**The 1996 amendment**, effective May 15, 1996, substituted "general" for "fire protection" in the section heading, substituted "Beginning in fiscal year 1997" for "Beginning in the seventy-third fiscal year" at the beginning of Subsection B, and substituted "seven hundred fifty thousand dollars (\$750,000) from the general fund" for "five hundred thousand dollars (\$500,000) from the fire protection fund" in Subsection B.

#### **10-11A-4. Administration of the Volunteer Firefighters Retirement Act, program and funds by the board; annual actuarial evaluation.**

A. The provisions of the Volunteer Firefighters Retirement Act and the volunteer firefighters retirement program authorized under that act shall be administered by the board. The provisions of law relating to the administration and investment of retirement funds administered by the board shall apply to all funds transferred and paid into the fund. In its administration of the volunteer firefighters retirement program, the board is authorized to promulgate rules and regulations.

B. The board shall provide for an annual actuarial evaluation of the fund and shall make recommendations to the legislature for any changes necessary to maintain the actuarial soundness of the fund.

C. The association shall remove a member's information file from the association's active database and enter it into an inactive database if qualifying documentation for the member has not been provided to the association for five consecutive years. A member's information file that has been entered into an inactive database shall not be included in the board's annual actuarial evaluation of the fund. The association shall return a member's information file to the association's active database if the association receives new qualifying documentation for the member.

**History:** Laws 1983, ch. 263, § 4; 2009, ch. 262, § 2.

#### **ANNOTATIONS**

**The 2009 amendment**, effective June 19, 2009, in Subsection A, in the second sentence, after "paid into the", deleted "volunteer firefighters retirement"; in Subsection B, after "evaluation of the", deleted "volunteer firefighters retirement"; and added Subsection C.

#### **10-11A-5. Retirement benefits; eligibility.**

A. Any member who attains the age of fifty-five years and has twenty-five years or more of service credit shall be eligible to receive a retirement annuity of two hundred fifty dollars (\$250), payable monthly from the fund during the remainder of the member's life.

B. Any member who attains the age of fifty-five years and has at least ten but less than twenty-five years or more of service credit shall be eligible to receive a retirement annuity of one hundred twenty-five dollars (\$125), payable monthly from the fund during the remainder of the member's life.

C. Any member who ceases to be a volunteer nonsalaried firefighter after completing at least ten but less than twenty-five years of service credit is eligible to receive upon attaining the age of fifty-five years a retirement annuity of one hundred twenty-five dollars (\$125), payable monthly from the fund during the remainder of the member's life.

D. Any member who ceases to be a volunteer nonsalaried firefighter after completing twenty-five years of service credit is eligible to receive upon attaining the age of fifty-five years a retirement annuity of two hundred fifty dollars (\$250), payable monthly from the fund during the remainder of the member's life.

E. Any member who qualifies for and receives a retirement annuity pursuant to this section may continue as an active member on the rolls of a fire department. However, such member shall not accrue additional service credit for the purpose of increasing the amount of the member's retirement annuity.

**History:** Laws 1983, ch. 263, § 5; 2009, ch. 262, § 3; 2013, ch. 79, § 1.

## **ANNOTATIONS**

**The 2013 amendment**, effective July 1, 2013, increased the retirement benefits of eligible plan retirees; in Subsection A, after "retirement annuity of", deleted "two hundred dollars (\$200)" and added "two hundred fifty dollars (\$250)"; in Subsection B, after "retirement annuity of", deleted "one hundred dollars (\$100)" and added "one hundred twenty five dollars (\$125)"; in Subsection C, after "retirement annuity of", deleted "one hundred dollars (\$100)" and added "one hundred twenty five dollars (\$125)"; and in Subsection D, after "retirement annuity of", deleted "two hundred dollars (\$200)" and added "two hundred fifty dollars (\$250)".

**The 2009 amendment**, effective June 19, 2009, made grammatical changes.

### **10-11A-6. Determination of service credit.**

A. A member may claim one year of service credit for each year in which a fire department certifies that the member:

(1) attended fifty percent of all scheduled fire drills for which the fire department held the member responsible to attend;

(2) attended fifty percent of all scheduled business meetings for which the fire department held the member responsible to attend; and

(3) participated in at least fifty percent of all emergency response calls for which the fire department held the member responsible to attend.

B. The chief of each fire department shall submit to the association by March 31 of each year documentation of the qualifications of each member for the preceding calendar year; provided that the chief shall:

(1) submit the documentation on forms provided by the association;

(2) acknowledge the truth of the records under oath before a notary public;  
and

(3) have the notarized forms signed by the mayor, if distributions from the fire protection fund for the fire department are made to an incorporated municipality, or the chair of the county commission, if distributions from the fire protection fund for the fire department are made to a county fire district.

C. For service credit that has been earned, but not credited pursuant to Subsection B of this section, a member may post or adjust service credit earned for not more than the two preceding calendar years; provided that the member shall:

(1) file with the association a completed "Corrected Qualification Record" or "Adjusted Qualification Record" as prescribed by the association;

(2) acknowledge the truth of the records under oath before a notary public;  
and

(3) have the notarized forms signed by the mayor, if distributions from the fire protection fund for the fire department are made to an incorporated municipality, or the chair of the county commission, if distributions from the fire protection fund for the fire department are made to a county fire district.

D. Prior to April 1, 2020, for service credit that has been earned, but not credited pursuant to Subsection B of this section, a member may post or adjust service credit earned for one or more years beginning on or after January 1, 1984; provided that the member shall:

(1) file with the association a completed "Corrected Qualification Record" or "Adjusted Qualification Record" as prescribed by the association;

(2) acknowledge the truth of the records under oath before a notary public;  
and

(3) have the notarized forms signed by the mayor or city manager, if distributions from the fire protection fund for the fire department are made to an incorporated municipality, or the chair of the board of county commissioners, if distributions from the fire protection fund for the fire department are made to a county fire district.

E. The association may request the state fire marshal's office to verify member qualifications submitted to the association.

**History:** Laws 1983, ch. 263, § 6; 1997, ch. 150, § 2; 2005, ch. 119, § 1; 2009, ch. 262, § 4; 2015, ch. 67, § 1; 2019, ch. 240, § 1; 2020, ch. 9, § 26.

### ANNOTATIONS

**The 2020 amendment,** effective July 1, 2021, substituted the fire marshal division of the public regulation commission with the state fire marshal's office; and in Subsection E, after "request the", deleted "fire marshal division of the public regulation commission" and added "state fire marshal's office".

**The 2019 amendment,** effective June 14, 2019, permitted members to post or adjust service credit earned but not credited; in Subsection C, Paragraph C(1), after "prescribed by the", deleted "board" and added "association"; and added a new Subsection D and redesignated former Subsection D as Subsection E.

**The 2015 amendment,** effective January 1, 2016, limited the time period for posting or adjusting service credit for certain firefighters; in the introductory language of Subsection C, after "service credit earned for", deleted "one or more calendar years beginning on or after January 1, 1979" and added "not more than the two preceding calendar years".

**The 2009 amendment,** effective June 19, 2009, in Paragraphs (1) and (2) of Subsection A, changed seventy-five percent to fifty percent, and at the end of each sentence added "for which the fire department held the member responsible to attend"; in Subsection B, after "each year", deleted "the records of attendance of members for emergency response calls, fire drills and business meetings during" and added "documentation of the qualifications of each member for"; in Subsection C, after "calendar years", deleted "prior to January 1, 2005, but for not more than five years of additional service credit, by filing with the association no later than December 31, 2005" and added "beginning on or after January 1, 1979; provided that the member shall"; deleted former Paragraph (1) of Subsection C, which provided for filing the member's record of attendance for emergency calls, fire drills and business; in Paragraph (1) of Subsection C, at the beginning of the sentence, added "file with the association"; added Paragraphs (2) and (3) of Subsection C; deleted former Subsection D, which provided

that failure to timely file the records shall result in loss of the member's service credit; and added Subsection D.

**The 2005 amendment**, effective June 17, 2005, added Subsection C to permit volunteer firefighters to post or adjust service credit for one or more calendar years prior to January 1, 2005, but not for more than ten years, by filing with the public employees retirement association a copy of the state fire marshal's records of attendance at emergency calls, fire drills and business meetings and a "Corrected Qualification Record or Adjusted Qualification Record" prescribed by the retirement board; and added Subsection D to provide that failure to timely file the records required by Subsection C results in the loss of the service credited pursuant to Subsection B.

**The 1997 amendment**, effective June 20, 1997, substituted "association" for "state fire marshal's office" and "March 31" for "April 30" in Subsection B.

### **10-11A-7. Retirement annuity; surviving beneficiary.**

A member may designate a spouse or dependent child as a beneficiary. In the event a retirement annuitant dies, the surviving beneficiary shall receive an annuity equal to two-thirds of the retirement annuity being paid to the retirement annuitant at the time of death; provided that the annuity paid to a beneficiary spouse shall cease upon the surviving spouse's marriage or death and the annuity paid to a beneficiary dependent child shall cease upon the child reaching eighteen years of age or upon the child's death, whichever comes first.

**History:** Laws 1983, ch. 263, § 7; 2009, ch. 262, § 5.

### **ANNOTATIONS**

**The 2009 amendment**, effective June 19, 2009, added the first sentence; in the second sentence, after the third instance of "annuity", added "paid to a beneficiary spouse" and after "death", added the remainder of the sentence.

### **10-11A-8. Retroactivity; application of 2003 law.**

A. The change in law made by Laws 2003, Chapter 370, Section 2 eliminating a maximum age for a volunteer nonsalaried firefighter to establish a first year of service credit under the Volunteer Firefighters Retirement Act shall apply to a volunteer nonsalaried firefighter who was listed as an active member on the rolls of a fire department before the effective date of Laws 2003, Chapter 370, Section 2.

B. A volunteer nonsalaried firefighter who retired before the effective date of Laws 2003, Chapter 370, Section 2 shall be entitled to receive retirement benefits under the Volunteer Firefighters Retirement Act if otherwise qualified under that act.

**History:** Laws 2009, ch. 262, § 6.

## ANNOTATIONS

**Effective dates.** — Laws 2009, ch. 262 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 19, 2009, 90 days after the adjournment of the legislature.

# ARTICLE 11B

## Firefighters' Survivors Supplement Benefits Act

### 10-11B-1. Short title.

Sections 1 through 5 of this act may be cited as the "Firefighters' Survivors Supplemental Benefits Act".

**History:** Laws 2007, ch. 149, § 1.

## ANNOTATIONS

**Effective dates.** — Laws 2007, ch. 149, contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 15, 2007, 90 days after the adjournment of the legislature.

### 10-11B-2. Findings; purpose.

The legislature finds that firefighters throughout the state risk their lives daily to protect the residents of New Mexico. The legislature further finds that when firefighters are killed in the line of duty, their immediate families can suffer grievously, both emotionally and economically. To recognize the substantial public safety benefits conferred by firefighters, and in consideration of the sacrifices undertaken by these individuals and their families for the residents of New Mexico, it is the purpose of the Firefighters' Survivors Supplemental Benefits Act to ensure that certain supplemental death benefits accrue to the spouses and surviving children, or parents if there are no surviving children or spouse, of firefighters killed in the line of duty.

**History:** Laws 2007, ch. 149, § 2.

## ANNOTATIONS

**Effective dates.** — Laws 2007, ch. 149, contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 15, 2007, 90 days after the adjournment of the legislature.

### 10-11B-3. Definitions.

As used in the Firefighters' Survivors Supplemental Benefits Act:

A. "firefighter" means any full- or part-time member or a volunteer member of a fire department that is part of or administered by the state or any political subdivision of the state and any red-carded firefighter trained in wildland firefighting skills and hired by the state of New Mexico; and

B. "fund" means the firefighters' survivors fund.

**History:** Laws 2007, ch. 149, § 3.

### **ANNOTATIONS**

**Effective dates.** — Laws 2007, ch. 149, contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 15, 2007, 90 days after the adjournment of the legislature.

#### **10-11B-4. Firefighters' survivors fund created.**

The "firefighters' survivors fund" is created in the state treasury and shall be administered by the state fire marshal. The fund shall consist of all gifts, donations and bequests of money to the fund as well as any appropriations and distributions made to the fund. Earnings from investment of the fund shall be credited to the fund. Money in the fund is appropriated to the state fire marshal for the purpose of paying death benefits pursuant to the Firefighters' Survivors Supplemental Benefits Act and shall be paid out only upon warrants issued by the secretary of finance and administration pursuant to vouchers signed by the state fire marshal. Any unexpended or unencumbered balance remaining in the fund at the end of any fiscal year shall not revert.

**History:** Laws 2007, ch. 149, § 4.

### **ANNOTATIONS**

**Effective dates.** — Laws 2007, ch. 149, contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 15, 2007, 90 days after the adjournment of the legislature.

#### **10-11B-5. Firefighters' survivors supplemental benefits; review committee; determination; payment.**

A. There is created the "firefighters' survivors supplemental death benefits review committee". The committee shall consist of the attorney general or the attorney general's designee and the fire services council.

B. The firefighters' survivors supplemental death benefits review committee shall determine whether a firefighter has been killed in the line of duty and advise the state fire marshal of that determination. In addition to any other death benefits provided by



law, the surviving spouse or children shall be paid one million dollars (\$1,000,000) as supplemental death benefits whenever a firefighter is killed in the line of duty. The benefits shall be paid from the fund.

C. The benefits shall be paid entirely to the surviving spouse. If there is no surviving spouse, the benefits shall be distributed in pro rata shares to all surviving children. If there are no surviving children or spouse, benefits shall be distributed to the surviving parents of the firefighter.

**History:** Laws 2007, ch. 149, § 5; 2014, ch. 17, § 1; 2020, ch. 9, § 27; 2023, ch. 111, § 1.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, increased the amount of death benefits to the surviving spouse or children of a firefighter killed in the line of duty; and in Subsection B, after "shall be paid", deleted "two hundred fifty thousand dollars (\$250,000)" and added "one million dollars (\$1,000,000)".

**The 2020 amendment**, effective July 1, 2021, revised the composition of the firefighters' survivors supplemental death benefits review committee; and in Subsection A, after "consist of the attorney general", deleted "the president of the New Mexico fire chiefs association, the state president of the New Mexico professional fire fighters association and the president of the New Mexico state fire fighters' association or their designee" and added "or the attorney general's designee and the fire services council".

**The 2014 amendment**, effective July 1, 2014, increased the supplemental benefits for survivors of firefighters; and in Subsection B, in the second sentence, after "shall be paid", deleted "fifty-thousand dollars (\$50,000)" and added "two hundred fifty thousand dollars (\$250,000)".

## ARTICLE 12

### Judicial Retirement (Repealed.)

**10-12-1 to 10-12-13. Repealed.**

### ANNOTATIONS

**Repeals.** — Laws 1992, ch. 111, § 23 repealed 10-12-1 to 10-12-13 NMSA 1978, relating to judicial retirement, effective July 1, 1992. For provisions of former sections, see the 1991 NMSA 1978 on *NMOneSource.com*. For present comparable provisions, see 10-12B-1 NMSA 1978 et seq.

**10-12-14. Repealed.**

## ANNOTATIONS

**Repeals.** — Laws 1980, ch. 136, § 15, repealed 10-12-14 NMSA 1978, relating to reinstatement of persons under the judicial retirement program under certain conditions, effective July 1, 1980.

### **10-12-15 to 10-12-18. Repealed.**

## ANNOTATIONS

**Repeals.** — Laws 1992, ch. 111, § 23 repealed 10-12-15 to 10-12-18 NMSA 1978, relating to judicial retirement, effective July 1, 1992. For provisions of former sections, see the 1991 NMSA 1978 on *NMOneSource.com*. For present comparable provisions, see 10-12B-1 NMSA 1978 et seq.

## **ARTICLE 12A**

### **Magistrate Retirement (Repealed.)**

### **10-12A-1 to 10-12A-13. Repealed.**

## ANNOTATIONS

**Repeals.** — Laws 1992, ch. 118, § 20 repealed 10-12A-1 to 10-12A-13 NMSA 1978, as enacted by Laws 1984, ch. 119, §§ 1 to 13, relating to magistrate retirement, effective July 1, 1992. For provisions of former sections, see the 1991 NMSA 1978 on *NMOneSource.com*. For present comparable provisions, see 10-12C-1 NMSA 1978 et seq.

## **ARTICLE 12B**

### **Judicial Retirement**

### **10-12B-1. Short title.**

Chapter 10, Article 12B NMSA 1978 may be cited as the "Judicial Retirement Act".

**History:** Laws 1992, ch. 111, § 1; 2011, ch. 178, § 7.

## ANNOTATIONS

**The 2011 amendment,** effective July 1, 2011, changed the statutory reference to the act.

**Impairment of contract and repeal of tax exemption.** — Because no private contractual rights were granted by the retirement plan, there was no impairment or

breach of contract resulting from the 1990 repeal of the tax exemption provision contained in former Section 10-12-18 NMSA 1978 and, although the plan conferred property rights that vested upon accumulating minimum earned service credits, those rights did not include the right to receive pension benefits exempt from tax. *Pierce v. State*, 1996-NMSC-001, 121 N.M. 212, 910 P.2d 288.

**Due process and repeal of tax exemption.** — Because the retirement plan provided no contractual or vested right to receive an irrevocable tax exemption, there was no constitutionally protected private interest in the tax exemption and there was no due process violation when the exemption was repealed. *Pierce v. State*, 1996-NMSC-001, 121 N.M. 212, 910 P.2d 288.

## **10-12B-2. Definitions.**

As used in the Judicial Retirement Act:

A. "association" means the public employees retirement association provided for in the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978];

B. "board" means the retirement board provided for in the Public Employees Retirement Act;

C. "dependent child" means a natural or adopted child who is physically or mentally incapable of financial self-support, regardless of age;

D. "educational retirement system" means the retirement system provided for in the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978];

E. "effective date of retirement" means the first day of the month following the month in which the member met all requirements for retirement;

F. "final average salary" means the amount that is one-sixtieth of the greatest aggregate amount of salary paid a member for sixty consecutive, but not necessarily continuous, months of service credit;

G. "former member" means a person no longer in office who was previously covered pursuant to the provisions of Sections 10-12-1 through 10-12-18 NMSA 1978, but who has not retired pursuant to the provisions of the Judicial Retirement Act and who has received a refund of member contributions pursuant to the provisions of Sections 10-12B-1 through 10-12B-19 NMSA 1978;

H. "fund" means the judicial retirement fund;

I. "judge" means a judge of the metropolitan court, district court or court of appeals of New Mexico;

J. "justice" means a justice of the supreme court of New Mexico;

K. "member" means any judge or justice who is in office and covered pursuant to the provisions of the Judicial Retirement Act, or any person no longer in office who was previously a judge or justice covered pursuant to the provisions of the Judicial Retirement Act, who has not retired and who has not received a refund of member contributions from the fund;

L. "member contributions" means the amounts deducted from the salary of a member and credited to the member's individual account, together with interest, if any, credited thereto;

M. "minor child" means a natural or adopted child who has not reached his eighteenth birthday and who has not been emancipated by marriage or otherwise;

N. "pension" means a series of monthly payments to a retired member or survivor beneficiary pursuant to the provisions of the Judicial Retirement Act;

O. "refund beneficiary" means a supplemental needs trust or a natural person designated by the member, in writing in the form prescribed by the association, as the trust or person that would be refunded the member's accumulated member contributions payable if the member dies and no survivor pension is payable, or that would receive the difference between pension paid and accumulated member contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions;

P. "retire" means to:

(1) terminate employment with all employers covered by any state system or the educational retirement system; and

(2) receive a pension from one state system or the educational retirement system;

Q. "retired member" means a person who has met all requirements for retirement and who is receiving a pension from the fund;

R. "salary" means the base salary or wages paid a member, including longevity pay, for personal services rendered; provided that salary does not include overtime pay; allowances for housing, clothing, equipment or travel; payments for unused sick leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for the period represented by that payment; and any other form of remuneration not specifically designated by law as included in salary pursuant to the provisions of the Judicial Retirement Act;

S. "state system" means the retirement programs provided pursuant to the provisions of the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978], the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978] and the Judicial Retirement Act;

T. "supplemental needs trust" means a valid third-party irrevocable trust that is authorized by the federal Social Security Act, as amended, for the sole benefit and the lifetime of a trust beneficiary who is disabled and is created for the purpose of providing, accounting for or receiving supplemental assets that do not supplant, impair or diminish any benefits or assistance of any federal, state or other government entity for which the beneficiary would otherwise be eligible;

U. "surviving spouse" means the spouse to whom the member was married at the time of the member's death;

V. "survivor beneficiary" means a supplemental needs trust or a natural person that receives a pension or that has been designated to be paid a pension as a result of the death of a member or retired member; and

W. "years of service" means a period of time beginning on the date a person commences to hold office as a judge or justice because of appointment or election and ending on the date a person ceases to hold office as a judge or justice because of expiration of the judge's or justice's term, voluntary resignation, death or disability and shall include any fractions of years of service.

**History:** Laws 1992, ch. 111, § 2; 2003, ch. 81, § 1; 2014, ch. 35, § 2; 2023, ch. 156, § 5.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, defined "supplemental needs trust" and revised the definitions of "survivor beneficiary" and "refund beneficiary"; in Subsection O, after "means a", added "supplemental needs trust or a natural"; added a new Subsection T and redesignated former Subsections T through V as Subsections U through W, respectively; and in Subsection V, after "means a", added "supplemental needs trust or a natural".

**The 2014 amendment**, effective July 1, 2014, defined "final average salary" to increase the number of years used to calculate the final average salary; deleted former Subsection C, which defined "current judge or justice"; deleted former Subsection G, which defined "former judge or justice"; added Subsection F; and deleted former Subsection O, which defined "new judge or justice".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2003 amendment**, effective July 1, 2003, in Subsection H substituted "covered" for "a judge or justice" following "who was previously" near the beginning, added "pursuant to the provisions of Sections 10-12B-1 through 10-12B-19 NMSA 1978" at the end; inserted "metropolitan court" following "judge of the" in the middle of Subsection J; substituted "and" for "or" following "eighteenth birthday" near the middle of Subsection N; and substituted "who would" for "to" following "pension is payable," near the middle of Subsection Q.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — What constitutes "salary," "wages," "pay," or the like, within pension law basing benefits thereon, 91 A.L.R.5th 225.

### **10-12B-3. Judicial retirement fund established; administration of fund; accounting funds.**

A. There is established in the state treasury the "judicial retirement fund". The fund is comprised of money received from docket and jury fees of metropolitan courts, district courts, the court of appeals and the supreme court, employer and employee contributions and any investment earnings on fees and contributions. The board is the trustee of the fund and shall administer and invest the fund. Investment of the fund shall be conducted pursuant to the provisions of the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978]. The provisions of the Judicial Retirement Act shall be administered by the board. The board is authorized to promulgate rules. Expenses related to the investment of the fund and administration of the Judicial Retirement Act shall be paid from the fund.

B. For purposes of this section, the accounting funds shall be known as the "member contribution fund", "employer's accumulation fund", "retirement reserve fund" and "income fund". The maintenance of separate accounting funds shall not require the actual segregation of the assets of the fund.

C. The accounting funds provided for in this section are trust funds and shall be used only for the purposes provided for in the Judicial Retirement Act.

D. The member contribution fund is the accounting fund in which shall be accumulated contributions of members and from which shall be made refunds and transfers of accumulated member contributions as provided in the Judicial Retirement Act. The member's court shall cause member contributions to be deducted from the salary of the member and shall remit the deducted member contributions to the association in accordance with procedures and schedules established by the association. The association may assess an interest charge and a penalty charge on any late remittance. Each member shall be deemed to consent and agree to the deductions made and provided for in this section. Contributions by members shall be credited to the members' individual accounts in the member contribution fund. A member's accumulated member contributions shall be transferred to the retirement reserve fund when a pension becomes payable.

E. The employer's accumulation fund is the accounting fund in which shall be accumulated the contributions paid by the state through the member's court. The state, through the member's court, shall remit its contributions to the association in accordance with procedures and schedules established by the association. The board may assess an interest charge and a penalty charge on any late remittance.

F. The retirement reserve fund is the accounting fund from which shall be paid all pensions to retired members and survivor beneficiaries and all residual refunds to refund beneficiaries of retired members and survivor beneficiaries.

G. Each year, following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of pensions being paid and likely to be paid to retired members and survivor beneficiaries and residual refunds likely to be paid to refund beneficiaries of retired members and survivor beneficiaries over the balance in the retirement reserve fund shall be transferred to the retirement reserve fund from the employer's accumulation fund.

H. The income fund is the accounting fund to which shall be credited all interest, dividends, rents and other income from investments of the fund, all gifts and bequests, all unclaimed member contributions and all other money the disposition of which is not specifically provided for in the Judicial Retirement Act. Expenses related to the administration of the Judicial Retirement Act shall be paid for from the income fund.

I. The association shall at least annually distribute all or a portion of the balance in the income fund to the member contribution fund, the retirement reserve fund and the employer's accumulation fund. Distribution rates shall be determined by the board and may vary for the respective accounting funds.

**History:** Laws 1992, ch. 111, § 3; 1995, ch. 115, § 6; 2003, ch. 81, § 2.

## **ANNOTATIONS**

**The 2003 amendment**, effective July 1, 2003 in Subsection A inserted "and jury" following "from docket" and inserted "metropolitan courts," following "fees of" near the middle, and deleted "and regulations" following "promulgate rules" at the end of the third sentence.

**The 1995 amendment**, effective June 16, 1995, deleted the former last two sentences in Subsection D, regarding the death of a member.

### **10-12B-4. Membership.**

Effective July 1, 2014, every judge or justice while in office shall become a member and shall be subject to the provisions of the Judicial Retirement Act; provided, however, that a judge or justice who, prior to July 1, 2014, applied for and received an exemption

from membership, shall not become a member until such exemption ends. A judge or justice who is retired under any state system or the educational retirement system shall:

A. pay the applicable member contributions, and the state, through the member's court, shall pay the applicable employer contributions as provided pursuant to the Judicial Retirement Act; and

B. not accrue service credit, and shall not be eligible to purchase service credit nor to retire pursuant to the Judicial Retirement Act.

**History:** Laws 1992, ch. 111, § 4; 2014, ch. 35, § 3.

### **ANNOTATIONS**

**The 2014 amendment**, effective July 1, 2014, eliminated the optional exemption from membership in the judicial retirement system; required membership; in the first sentence, deleted "Except for any judge or justice who had previously retired pursuant to the provisions of any state system or the educational retirement system" and added "Effective July 1, 2014", after "every judge or justice", added "while in office", after "become a member", deleted "upon appointment or election to that office", after "Judicial Retirement Act", deleted "upon taking office, unless a written application for exemption from membership is filed with the association within ninety days of taking office" and added the remainder of the first sentence; deleted the former second sentence, which provided for revocation of an exemption from membership; added the current second sentence, including Subsections A and B; and deleted the former third sentence, which provided for the resumption of membership upon revocation of an exemption from membership.

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 46 Am. Jur. 2d Judges § 59.

48A C.J.S. Judges § 85.

### **10-12B-5. Service credit; reinstatement of forfeited service; prior service; military service.**

A. Personal service rendered by a member shall be credited to the member's service credit account in accordance with board rules and regulations. Service shall be credited to the nearest month. In no case shall any member be credited with a year of service for less than twelve months of service in any calendar year or more than a month of service for all service in any calendar month or more than a year of service for all service in any calendar year.



B. Service credit shall be forfeited if a member leaves office and withdraws the member's accumulated member contributions. A member or former member who is a member of a state system or the educational retirement system who has forfeited service credit by withdrawal of member contributions may reinstate the forfeited service credit by repaying the amount withdrawn plus compound interest from the date of withdrawal to the date of repayment at a rate set by the board. Withdrawn member contributions may be repaid in increments of one year in accordance with procedures established by the board. Full payment of each one-year increment shall be made in a single lump-sum amount in accordance with procedures established by the board.

C. Service credit that a member would have earned if the member had not elected to be excluded from membership may be purchased if the member pays the purchase cost determined pursuant to the provisions of Subsection F of this section.

D. A member who during a term of office enters a uniformed service of the United States shall be given service credit for periods of service in the uniformed services subject to the following conditions:

(1) the member returns to office within ninety days following termination of the period of intervening service in the uniformed services or the affiliated employer certifies in writing to the association that the member is entitled to reemployment rights under the federal Uniformed Services Employment and Reemployment Rights Act of 1994;

(2) the member retains membership in the association during the period of service in the uniformed services;

(3) free service credit shall not be given for periods of intervening service in the uniformed services following voluntary reenlistment. Service credit for such periods shall only be given after the member pays the association the sum of the contributions that the person would have been required to contribute had the person remained continuously employed throughout the period of intervening service following voluntary reenlistment, which payment shall be made during the period beginning with the date of reemployment and whose duration is three times the period of the person's intervening service in the uniformed services following voluntary reenlistment, not to exceed five years;

(4) service credit shall not be given for periods of intervening service in the uniformed services that are used to obtain or increase a benefit from another state system or the retirement program provided under the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978]; and

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions.

Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) [414(u)] of the Internal Revenue Code of 1986, as amended.

E. A member who entered uniformed service of the United States may purchase service credit for periods of active duty in the uniformed services, subject to the following conditions:

(1) the member pays the purchase cost determined pursuant to the provisions of Subsection F of this section;

(2) the member has the applicable minimum number of years of service credit accrued according to the provisions of the Judicial Retirement Act;

(3) the aggregate amount of service credit purchased pursuant to the provisions of this subsection does not exceed five years, reduced by any period of service credit acquired for military service under any other provision of the Judicial Retirement Act;

(4) service credit may not be purchased for periods of service in the uniformed services that are used to obtain or increase a benefit from another retirement program; and

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions.

F. The purchase cost for each year of service credit purchased pursuant to the provisions of this section shall be the increase in the actuarial present value of the pension of the member under the Judicial Retirement Act as a consequence of the purchase, as determined by the association. Full payment shall be made in a single lump-sum amount in accordance with procedures established by the board. Except as provided in Subsection G of this section, seventy-five percent of the purchase cost shall be considered to be employer contributions and shall not be refunded to the member in the event of cessation of membership.

G. A member shall be refunded, after retirement and upon written request filed with the association, the portion of the purchase cost of service credit purchased pursuant to the provisions of this section that the association determines to have been unnecessary to provide the member with the maximum pension applicable to the member. The association shall not pay interest on the portion of the purchase cost refunded to the member.

H. At any time prior to retirement, a member may purchase service credit in monthly increments, subject to the following conditions:

(1) the member has the applicable minimum number of years of service credit acquired as a result of personal service rendered under the Judicial Retirement Act;

(2) the aggregate amount of service credit purchased pursuant to this subsection does not exceed one year;

(3) the member pays full actuarial present value of the amount of the increase in the member's pension as a consequence of the purchase, as determined by the association;

(4) the member pays the full cost of the purchase within sixty days of the date the member is informed of the amount of the payment; and

(5) the purchase of service credit under this subsection cannot be used to exceed the pension maximum.

**History:** Laws 1992, ch. 111, § 5; 1997, ch. 189, § 12; 2007, ch. 133, § 1; 2014, ch. 35, § 4.

## ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler to correct a typographical error and is not part of the law.

**Cross references.** — For the federal Uniformed Services Employment and Reemployment Rights Act, see 38 U.S.C.S. § 4301 et seq.

For Section 414(u) of the federal Internal Revenue Code, see 26 U.S.C.S. § 414(u).

**The 2014 amendment,** effective July 1, 2014, provided for the purchase of service credit if a member has the applicable minimum number of years of service credit in the judicial retirement system; in Subsection D, in Paragraph (1), after "reemployment rights under the", added "federal"; in Subsection E, in Paragraph (2), after "the member has", deleted "five or more" and added "the applicable minimum number of"; and in Subsection H, in Paragraph (1), after "the member has", deleted "at least five" and added "the applicable minimum number of".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2007 amendment,** effective June 15, 2007, added Subsection H.

**The 1997 amendment,** effective June 20, 1997, rewrote Subsection D; and, in Subsection E, in the introductory language, substituted "uniformed" for "an armed" and

inserted "in the uniformed services", rewrote Paragraph (4), and added Paragraph (5) and made related stylistic changes.

### **10-12B-6. Refund of contributions.**

A. If a member leaves office, the member may, with the written consent of the member's spouse, if any, withdraw the member's accumulated member contributions upon making written request in a form prescribed by the association. Upon written request of the member in the form prescribed by the association, a refund of member contributions may be made by a trustee-to-trustee transfer of the contributions from the member contribution fund directly to another qualified plan as allowed by the Internal Revenue Code of 1986. Withdrawal of member contributions shall result in forfeiture of the service credit accrued for the period during which the contributions were made.

B. A member shall, upon commencement of membership, designate a refund beneficiary who shall receive the refund of the member contributions, plus interest, if the member dies and no survivor pension is payable. If the member is married at the time of designation, written spousal consent shall be required if the designated refund beneficiary is a person other than the spouse or a supplemental needs trust to which the spouse is a beneficiary. Marriage subsequent to the designation shall automatically revoke a previous designation, and the spouse shall become the refund beneficiary unless or until another designation is filed with the association. Divorce subsequent to the designation shall automatically revoke designation of the former spouse as refund beneficiary if no designation has been filed, and the refund shall be paid to the deceased member's estate unless the member filed a designation of refund beneficiary subsequent to the divorce. The refund shall be paid to the refund beneficiary named in the most recent designation of refund beneficiary on file with the association unless that beneficiary is deceased or otherwise terminated. If there is not a living or operating refund beneficiary named in the most recent designation of refund beneficiary on file with the association, the deceased member's accumulated member contributions shall be paid to the estate of the deceased member.

**History:** Laws 1992, ch. 111, § 6; 1995, ch. 115, § 7; 2023, ch. 156, § 6.

### **ANNOTATIONS**

**Cross references.** — For the federal Internal Revenue Code, see 26 U.S.C. § 1 et seq.

**The 2023 amendment,** effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; and in Subsection B, after "other than the spouse", added "or a supplemental needs trust to which the spouse is a beneficiary", after "that beneficiary is deceased", added "or otherwise terminated", and after "not a living", added "or operating".

**The 1995 amendment,** effective June 16, 1995, rewrote this section to the extent that a detailed comparison is impracticable.

## **10-12B-7. Funds not subject to legal process; division of funds as community property; legal process to satisfy child support obligations.**

A. Except as provided in Subsections B and C of this section, none of the money, pensions or other benefits provided pursuant to the provisions of the Judicial Retirement Act shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment or other legal process.

B. A court of competent jurisdiction, solely for the purposes of effecting a division of community property in a divorce or legal separation proceeding, may provide by appropriate order for a determination and division of a community interest in the pensions or other benefits provided for in the Judicial Retirement Act. The court shall fix the manner in which warrants are issued, may order direct payments to a person with a community interest in the pensions or other benefits, may require the election of a specific form of payment and designation of a specific survivor beneficiary or refund beneficiary and may restrain the refund of accumulated member contributions. Payments made pursuant to such orders shall only be made when member contributions are refunded or a pension is payable in accordance with the provisions of the Judicial Retirement Act. The court shall not alter the manner in which the amount of pensions or other benefits are calculated by the association or cause any increase in the actuarial present value of the pensions or other benefits to be paid by the association.

C. A court of competent jurisdiction, solely for the purposes of enforcing current or delinquent child-support obligations, may provide by appropriate order for withholding amounts due in satisfaction of current or delinquent child-support obligations from the pensions or other benefits provided for in the Judicial Retirement Act and for payment of such amounts to third parties. The court shall not alter the manner in which the amount of pensions or other benefits are calculated by the association. The court shall not cause any increase in the actuarial present value of the pensions or other benefits to be paid from the fund. Payments made pursuant to such orders shall only be made when member contributions are refunded or when a pension is payable in accordance with the provisions of the Judicial Retirement Act. In no case shall more money be paid out, either in a lump sum or in monthly pension payments, of the fund in enforcement of current or delinquent child-support obligations than would otherwise be payable at that time.

**History:** Laws 1992, ch. 111, § 7; 1995, ch. 115, § 8.

### **ANNOTATIONS**

**Cross references.** — For exemption from legal process for Public Employees Retirement Act benefits, see 10-11-135 NMSA 1978.

For exemption from legal process for Magistrate Retirement Act benefits, see 10-12C-7 NMSA 1978.

For exemption from legal process for Educational Retirement Act benefits, see 22-11-42 NMSA 1978.

For exemption from legal process for interest from state police pension fund, see 29-4-10 NMSA 1978.

For exemption from legal process for married persons or heads of households, see 42-10-1 NMSA 1978.

For rules governing garnishment and writs of execution in the district, magistrate, and metropolitan courts, see Rules 1-065.1, 2-801, and 3-801 NMRA, respectively.

For form for claim of exemptions on executions, see Rule 4-803 NMRA.

For form for order on claim of exemption and order to pay in execution proceedings, see Rule 4-804 NMRA.

For form for application for writ of garnishment and affidavit, see Rule 4-805 NMRA.

For form for notice of right to claim exemptions from execution, see Rule 4-808A NMRA.

For form for claim of exemption from garnishment, see Rule 4-809 NMRA.

**The 1995 amendment**, effective June 16, 1995, in Subsection B, inserted "in a divorce or legal separation proceeding" in the first sentence, and "election of a specific form of payment and" in the second sentence, inserted the third sentence, and substituted "by the association" for "from the fund" in the last sentence; and, in Subsection C, substituted "when member contributions are refunded or when a pension is payable in accordance with the provisions of the Judicial Retirement Act" for "when the member leaves office and requests a refund of contributions or when the member retires" in the next-to-last sentence, and "pension payments" for "benefits" in the last sentence.

### **10-12B-8. Age and service credit requirements for normal retirement.**

A. For an individual who initially became a member prior to July 1, 2005, the age and service credit requirements for retirement provided for in the Judicial Retirement Act are:

- (1) age sixty-five years or older and five or more years of service credit; or
- (2) age sixty years or older and fifteen or more years of service credit.

B. For an individual who initially became a member after June 30, 2005 but on or before June 30, 2014, the age and service credit requirements for retirement provided for in the Judicial Retirement Act are:

- (1) age sixty-five years or older and five or more years of service credit; or
- (2) age fifty-five years or older and sixteen or more years of service credit.

C. For an individual who initially became a member on or after July 1, 2014, the age and service requirements provided for in the Judicial Retirement Act are:

- (1) age sixty-five years and eight or more years of service credit; or
- (2) age sixty years and fifteen or more years of service credit.

D. Except for a member who is retired under any state system or the educational retirement system, if a member leaves office for any reason, other than removal pursuant to Article 6, Section 32 of the constitution of New Mexico, before meeting the age and service credit requirements for retirement pursuant to the provisions of this section and if that member leaves the member contributions on deposit in the fund, that member may apply for retirement when that member meets the age and service credit requirements for retirement pursuant to the provisions of the Judicial Retirement Act or provisions of the Public Employees Retirement Reciprocity Act [Chapter 10, Article 13A NMSA 1978].

E. No member shall be eligible to receive a pension pursuant to the provisions of the Judicial Retirement Act while still in office.

**History:** Laws 1992, ch. 111, § 8; 2005, ch. 246, § 1; 2014, ch. 35, § 5.

## **ANNOTATIONS**

**The 2014 amendment**, effective July 1, 2014, changed the age and service requirements for normal retirement; in Subsection A, in Paragraph (1), after "age", deleted "sixty-four" and added "sixty-five years"; in Subsection B, in the introductory paragraph, after "became a member", deleted "on or", after "member after", deleted "July 1" and added "June 30", and after "June 30, 2005", added "but on or before June 30, 2014"; in Subsection B, in Paragraph (1), after "age", deleted "sixty-four" and added "sixty-five years"; added Subsection C; and in Subsection D, added "Except for a member who is retired under any state system or the educational retirement system".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2005 amendment**, effective June 17, 2005, provided in Subsection A the age and service credit requirements for individuals who initially became a member prior to July 1, 2005 and added Subsection B to provide the age and service credit requirement for individuals who initially became a member on or after July 1, 2005.

### **10-12B-9. Amount of pension.**

A. For a judge or justice who occupied such an office prior to July 1, 1980, but who had ceased to hold such an office prior to that date and who elected to be excluded from the provisions of the Judicial Retirement Act; or a judge or justice who occupied such an office on July 1, 1980, but who elected to be covered under the provisions of the retirement plan in effect at that time, the amount of monthly pension is an amount equal to one-twelfth of:

seventy-five percent of salary received during last year in office prior to retirement	X	number of years of service, not exceeding ten years, divided by ten.
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B. For a judge or justice who initially became a member before July 1, 2005 and who initially occupied such an office after July 1, 1980; or a judge or justice who occupied such an office on or before July 1, 1980 and who has elected to be covered pursuant to the provisions of the Judicial Retirement Act, the amount of monthly pension is an amount equal to the sum of:

(1) for service credit earned on or before June 30, 2014, an amount equal to one-twelfth of:

seventy-five percent of salary received during last year in office prior to retirement	X .05 X	(number of years of service, not exceeding fifteen years, plus five years); and
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(2) for service credit earned on and after July 1, 2014, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit.

C. For a judge or justice who initially became a member after June 30, 2005 but on or before June 30, 2014, the amount of monthly pension is an amount equal to the sum of:

(1) for service credit earned on or before June 30, 2014, an amount equal to one-twelfth of the salary received during the last year in office prior to retirement



multiplied by the product of three and seventy-five hundredths percent times the sum of the number of years of service; and

(2) for service credit earned on and after July 1, 2014, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the number of years of service credit.

D. For a judge or justice who initially became a member on or after July 1, 2014, the amount of monthly pension under form of payment A is an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three and one-fourth percent times the number of years of service.

E. The amount of pension under form of payment A for a pension calculated pursuant to Subsection D of this section shall not exceed eighty-five percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office.

F. The amount of pension payable for a pension calculated pursuant to Subsection A, B or C of this section shall not exceed eighty-five percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office. A pension benefit determined pursuant to this subsection shall not be less than the benefit earned as of June 30, 2014.

**History:** Laws 1992, ch. 111, § 9; 2005, ch. 246, § 2; 2014, ch. 35, § 6.

## ANNOTATIONS

**The 2014 amendment**, effective July 1, 2014, decreased the pension multiplier for service credit earned after June 30, 2014; increased the maximum pension benefit; at the beginning of the subsection, deleted former language which provided that "The amount of monthly pension is equal to"; in Subsection A, at the beginning of the subsection, deleted "in the case of a former or current judge or justice"; in Subsection A, added the language at the beginning of the sentence through "the amount of monthly pension is"; in Subsection B, in the introductory paragraph, at the beginning of the paragraph, deleted "in the case of a new judge or justice who initially became a member prior to July 1, 2005" and added the remainder of the introductory paragraph; in Subsection B, Paragraph (1), at the beginning of the sentence, added "for service credit earned on or before June 30, 2014"; in Subsection B, added Paragraph (2); in Subsection C, at the beginning of the introductory sentence, deleted "in the case of a new" and added "For a", after "became a member", deleted "on or", after "member after", deleted "July 1" and added "June 30", and after "June 30, 2005", added the remainder of the sentence; in Subsection C, Paragraph (1), at the beginning of the sentence, added "for service credit earned on or before June 30, 2014" and after

"number of years of service", deleted the remainder of the sentence, which provided that the pension could not exceed seventy-five percent of one-twelfth of the salary received during the last year in office; in Subsection C, added Paragraph (2); and added Subsections D, E and F.

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2005 amendment**, effective June 17, 2005, provided the monthly pension of a new judge or justice who initially became a member prior to July 1, 2005 in Subsection B; and added Subsection C to provide for the monthly pension of a new judge or justice who initially became a member on or after July 1, 2005.

### **10-12B-10. Member contributions; tax treatment.**

A. On and after July 1, 2014, members, while in office, shall contribute ten and one-half percent of salary to the member contribution fund.

B. Upon implementation, the state, acting as employer of members covered pursuant to the provisions of the Judicial Retirement Act, shall, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code of 1986, pick up, for the purposes specified in that section, member contributions required by this section for all annual salary earned by the member. Member contributions picked up pursuant to the provisions of this section shall be treated as employer contributions for purposes of determining income tax obligations under the Internal Revenue Code of 1986; however, such picked-up member contributions shall be included in the determination of the member's gross annual salary for all other purposes under federal and state laws. Member contributions picked up pursuant to the provisions of this section shall continue to be designated member contributions for all purposes of the Judicial Retirement Act and shall be considered as part of the member's annual salary for purposes of determining the amount of the member's contribution. The provisions of this section are mandatory, and the member shall have no option concerning the pickup or concerning the receipt of the contributed amounts directly instead of having the amounts paid by the employer to the retirement system. Implementation occurs upon authorization by the board. In no event may implementation occur other than at the beginning of a pay period applicable to the member.

**History:** Laws 1992, ch. 111, § 10; 2004, ch. 101, § 1; 2005, ch. 246, § 3; 2009, ch. 127, § 7; 2011, ch. 178, § 8; 2014, ch. 35, § 7.

### **ANNOTATIONS**

**Cross references.** — For Section 414(h) of the federal Internal Revenue Code of 1986, see 26 U.S.C. § 414(h).

**The 2014 amendment**, effective July 1, 2014, increased contribution rates; in Subsection A, at the beginning of the subsection, added "On and after July 1, 2014", after "shall contribute", added "ten and one-half percent of salary"; and after "contribution fund", deleted "pursuant to the following schedule"; and in Subsection A, deleted former Paragraphs (1) through (3), which provided a schedule of contribution rates.

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, for the period from July 1, 2011 through June 30, 2012, increased the member contribution rate for members whose annual salary is more than twenty thousand dollars.

**Temporary provisions.** — Laws 2011, ch. 178, § 15 provided that for the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

Laws 2011, ch. 178, § 16, provided that notwithstanding a provision of Laws 2011, Chapter 178 to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

- (1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and
- (2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012.

**The 2009 amendment**, effective July 1, 2009, in Paragraph (3) of Subsection A, added the exception at the end of the sentence.

**The 2005 amendment**, effective June 17, 2005, provided the schedule of contributions of members in Subsection A(1) through (3); and deleted former Subsection C.

**The 2004 amendment**, effective July 1, 2004, amended Subsection A to increase the contribution rate from 5% to 5 1/2% and added Subsection C making the increase in member contributions contingent upon a 6% salary increase for justices and judges.

### **10-12B-11. Employer contributions.**

A. The member's court shall contribute fifteen percent of salary to the fund for each member in office.

B. Thirty-eight dollars (\$38.00) from each civil case docket fee paid in the district court, twenty-five dollars (\$25.00) from each civil docket fee paid in metropolitan court and ten dollars (\$10.00) from each jury fee paid in metropolitan court shall be paid by the court clerk to the employer's accumulation fund.

**History:** Laws 1992, ch. 111, § 11; 2003, ch. 81, § 3; 2005, ch. 246, § 4; 2009, ch. 127, § 8; 2011, ch. 178, § 9; 2014, ch. 35, § 8.

### **ANNOTATIONS**

**The 2014 amendment**, effective July 1, 2014, increased contribution rates; in Subsection A, after "shall contribute", deleted "the following amounts" and added "fifteen percent of salary", and after "to the fund", added "for each member in office"; and in Subsection A, deleted Paragraphs (1) through (3), which provided a schedule of contribution rates.

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, decreased the court contribution rate for the period from July 1, 2011 through June 30, 2012.

**Temporary provisions.** — Laws 2011, ch. 178, § 15 provided that for the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

Laws 2011, ch. 178, § 16, provided that notwithstanding a provision of Laws 2011, Chapter 178 to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

(1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and

(2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012.

**The 2009 amendment**, effective July 1, 2009, in Paragraph (3) of Subsection A, added the exception at the end of the sentence.

**The 2005 amendment**, effective June 17, 2005, provided the schedule of contributions of the member's court in Subsections A(1) through (3).

**The 2003 amendment**, effective July 1, 2003 inserted "twenty-five dollars (\$25.00) from each civil docket fee paid in metropolitan court and ten dollars (\$10.00) from each jury fee paid in metropolitan court" following "district court" near the middle of Subsection B.

## **10-12B-12. Early retirement.**

A. Any member who initially became a member prior to July 1, 2005 and has not less than eighteen years of service credit may elect to retire at any time between age fifty and age sixty and receive a monthly pension that is one-twelfth of the following formula:

Salary received during the last full year in office prior to retirement	X.7 + (.005 X	Number of years between age fifty and the age at retirement).
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B. The provisions of the Public Employees Retirement Reciprocity Act [Chapter 10, Article 13A NMSA 1978] and the provisions of the Judicial Retirement Act regarding cost-of-living adjustments shall apply to the provisions of this section.

**History:** Laws 1992, ch. 111, § 12; 2005, ch. 246, § 5.

## **ANNOTATIONS**

**The 2005 amendment**, effective June 17, 2005, provided the monthly early retirement pension of a member who initially became a member prior to July 1, 2005 in Subsection A.

### **10-12B-13. Disability retirement pension.**

A. A judge or justice with the applicable minimum number of years of service credit accrued pursuant to the provisions of the Judicial Retirement Act who becomes unable to carry out the duties of that office due to physical or mental disability shall, upon determination of the disability and relinquishment of office, receive a pension from the fund so long as the disability continues. Determination of disability shall be made by the board in accordance with the provisions of the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978] and rules promulgated pursuant to that act.

B. The amount of the pension shall be calculated using the formula for normal retirement set out in Section 10-12B-9 NMSA 1978.

C. The applicable service credit requirement shall be waived if the board finds the disability to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty as a judge or justice, and the amount of pension shall be computed as if the member had the applicable minimum number of years of service credit as a judge or justice.

**History:** Laws 1992, ch. 111, § 13; 2014, ch. 35, § 9.

### **ANNOTATIONS**

**The 2014 amendment**, effective July 1, 2014, based the disability pension on the applicable minimum number of years of service credit; in Subsection A, after "justice with", deleted "five" and added "the applicable minimum number of", and after "minimum number of years" deleted "or more"; and in Subsection C, after "The", deleted "five-year" and added "applicable", and after "computed as if the member had", deleted "five" and added "the applicable minimum number of".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12B-14. Survivor's pension.**

For a member whose initial term of office began prior to July 1, 2014:

A. unless that member has designated a survivor beneficiary in accordance with Subsection B of this section, a survivor pension shall be paid for life to a member's or retired member's surviving spouse;

B. the member may designate, in writing in a form prescribed by the association, a survivor beneficiary to receive the survivor's pension described in this section. If the member is married, a designation of survivor beneficiary other than the member's spouse or a supplemental needs trust to which the spouse is a beneficiary may only be made with the written consent of the member's spouse. Marriage subsequent to a designation of survivor beneficiary shall automatically revoke the designation of survivor beneficiary. A designation of survivor beneficiary made pursuant to a court order issued under Section 10-12B-7 NMSA 1978 shall not require the consent of the member's spouse, if any, and shall not be revoked by the subsequent remarriage of the member. A designation of survivor beneficiary may be revoked by the member at any time prior to the member's retirement. If the member is married, a revocation of designation of survivor beneficiary may only be made with the written consent of the member's spouse;

C. if there is no surviving spouse and no designated survivor beneficiary or if the surviving spouse dies while there are still minor and dependent children of the member, the survivor's pension shall be paid to all minor and dependent children, if any, of the member, in equal shares, so long as each child remains a minor or dependent child. As each child ceases to be a minor or dependent child, the number of shares shall be reduced and the amount payable to each remaining child increased proportionately so that the total survivor's pension remains unchanged as long as there is any such child;

D. the survivor's pension is equal to seventy-five percent of the member's pension;

E. survivor beneficiaries shall be eligible for other benefits provided pursuant to the provisions of the Judicial Retirement Act, including cost-of-living adjustments and continuation of group insurance benefits; and

F. if the member dies while receiving a disability retirement pension, the survivor beneficiary shall receive the survivor pension provided pursuant to the provisions of the Judicial Retirement Act.

**History:** Laws 1992, ch. 111, § 14; 2014, ch. 35, § 10; 2023, ch. 156, § 7.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; and in Subsection B, after "other than the member's spouse", added "or a supplemental needs trust to which the spouse is a beneficiary".

**The 2014 amendment**, effective July 1, 2014, provided for survivor's pension for judges; and at the beginning of the subsection, added "For a member whose initial term of office began prior to July 1, 2014".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12B-14.1. Election form of pension.**

For a member whose initial term in office begins on or after July 1, 2014, except as otherwise provided in Section 10-12B-7 NMSA 1978:

A. the member may elect to have pension payments made under any one of the forms of payment provided in Section 10-12B-14.2 NMSA 1978. The election of form of payment and naming of survivor pension beneficiary shall be made on a form furnished by and filed with the association prior to the date the first pension payment is made. An election of form of payment may not be changed after the date the first pension payment is made. If the member is married, the association shall require the consent of the member's spouse to the election of the form of payment and any designation of survivor pension beneficiary before the election or designation is effective. Except as provided in Subsection C, D or E of this section, a named survivor pension beneficiary may not be changed after the date the first pension payment is made if form of payment B or C is elected. Except as otherwise provided in Section 10-12B-7 NMSA 1978, payment shall be made:

(1) under form of payment A if the member is not married at the time of retirement and if there is not a timely election of another form of payment; or

(2) under form of payment C with the member's spouse as survivor pension beneficiary if the member is married at the time of retirement and there is not a timely election of another form of payment;

B. the amount of pension under forms of payment B, C and D shall have the same actuarial present value, computed as of the effective date of the pension, as the amount of pension under form of payment A;

C. if the member is a retired member who is being paid a pension under form of payment B or C with the member's spouse or a supplemental needs trust to which the spouse is a beneficiary as the designated survivor pension beneficiary, the retired member may, upon becoming divorced from the named spouse and subject to an order of a court as provided for in Section 10-12B-7 NMSA 1978, elect to have future payments made under form of payment A;

D. if the member is retired and was previously being paid a pension under form of payment B or C but, because of the death of the designated survivor pension beneficiary or the death of the beneficiary of a supplemental needs trust or the termination of that trust, is currently receiving a pension under form of payment A, the retired member may exercise a one-time irrevocable option to designate another



survivor pension beneficiary and may select either form of payment B or form of payment C; provided that:

(1) the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

(2) the designation and the amount of the pension shall be subject to a court order as provided for in Section 10-12B-7 NMSA 1978; and

(3) the retired member shall pay one hundred dollars (\$100) to the board to defray the cost of determining the new pension amount; and

E. if the member is a retired member who is being paid a pension under form of payment B or C with a living or operating designated survivor pension beneficiary other than the retired member's spouse or former spouse or the supplemental needs trust of the retired member's spouse or former spouse, the retired member may exercise a one-time irrevocable option to deselect the designated beneficiary and elect to:

(1) designate another survivor pension beneficiary; provided that:

(a) the retired member shall not have an option to change from the current form of payment;

(b) the amount of the pension under the form of payment shall be recalculated and shall have the same actuarial present value, computed as of the effective date of the designation, as the amount of pension under form of payment A; and

(c) the retired member shall pay one hundred dollars (\$100) to the board to defray the cost of determining the new pension amount; or

(2) have future payments made under form of payment A.

**History:** 1978 Comp., § 10-12B-14.1, enacted by Laws 2014, ch. 35, § 11; 2023, ch. 156, § 8.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; in Subsection C, after "with the member's spouse", added "or a supplemental needs trust to which the spouse is a beneficiary"; in Subsection D, in the introductory clause, after "survivor pension beneficiary", added "or the death of the beneficiary of a supplemental needs trust or the termination of that trust"; and in Subsection E, in the introductory clause, after "spouse or former spouse", added "or the supplemental needs trust of the retired member's spouse or former spouse"..

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

## **10-12B-14.2. Form of pension payment.**

A. Straight life pension is form of payment A. The retired member is paid the pension for life under form of payment A. All payments stop upon the death of the retired member, except as provided in Subsection E of this section. The amount of pension is determined in accordance with the Judicial Retirement Act.

B. Life payments with full continuation to one survivor beneficiary is form of payment B. The retired member is paid a reduced pension for life under form of payment B. When the retired member dies, the designated survivor beneficiary is paid the full amount of the reduced pension until death or in the event that supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust. If the designated survivor beneficiary or the beneficiary of a supplemental needs trust predeceases the retired member or if the supplemental needs trust terminates while the retired member is living, the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment A.

C. Life payment with one-half continuation to one survivor beneficiary is form of payment C. The retired member is paid a reduced pension for life under form of payment C. When the retired member dies, the designated survivor beneficiary is paid one-half the amount of the reduced pension until death or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust. If the designated survivor beneficiary or if the beneficiary of a supplemental needs trust predeceases the retired member or if the supplemental needs trust terminates while the retired member is living, the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment A.

D. Life payments with temporary survivor benefits for children is form of payment D. The retired member is paid a reduced pension for life under form of payment D. When the retired member dies, each declared eligible child is paid a share of the reduced pension until death or age twenty-five years, whichever occurs first. The share is the share specified in writing and filed with the association by the retired member. If shares are not specified in writing and filed with the association, each declared eligible child is paid an equal share of the reduced pension. A redetermination of shares shall be made when the pension of any child terminates. An eligible child is a natural or adopted child of the retired member who is under age twenty-five years. A declared eligible child is an eligible child whose name has been declared in writing and filed with the association by the retired member at the time of election of form of payment D. The amount of pension shall be changed to the amount of pension that would have been payable had the

retired member elected form of payment A upon there ceasing to be a declared eligible child during the lifetime of the retired member.

E. If all pension payments permanently terminate before there is paid an aggregate amount equal to the retired member's accumulated member contributions at the time of retirement, the difference between the amount of accumulated member contributions and the aggregate amount of pension paid shall be paid to the retired member's refund beneficiary. If no refund beneficiary survives the retired member, the difference shall be paid to the estate of the retired member.

**History:** 1978 Comp., § 10-12B-14.2, enacted by Laws 2014, ch. 35, § 12; 2023, ch. 156, § 9.

### ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; in Subsection B, after "reduced pension until death", added "or in the event that supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust", after "designated survivor beneficiary", added "or the beneficiary of a supplemental needs trust", after "predeceases the retired member", added "or if the supplemental needs trust terminates while the retired member is living"; and in Subsection C, after "reduced pension until death", added "or in the event that supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust", after "designated survivor beneficiary", added "or if the beneficiary of a supplemental needs trust", and after "predeceases the retired member", added "or if the supplemental needs trust terminates while the retired member is living".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12B-14.3. Death before retirement; survivor pension.**

For a member whose initial term in office begins on or after July 1, 2014:

A. a survivor pension may be paid to certain persons related to or designated by a member who dies before normal or disability retirement if a written application for the pension, in the form prescribed by the association, is filed with the association by the potential survivor beneficiary or beneficiaries within one year of the death of the member. Applications may be filed on behalf of the potential survivor beneficiary or beneficiaries or by a person legally authorized to represent them;

B. if there is no designated survivor beneficiary and the board finds the death to have been the natural and proximate result of causes arising solely and exclusively out

of and in the course of the member's performance of duty while in office, a survivor pension shall be payable to the eligible surviving spouse. The amount of the survivor pension shall be the greater of:

- (1) the amount as calculated pursuant to the Judicial Retirement Act and applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the deceased member at the time of death; or
- (2) fifty percent of the deceased member's final average salary;

C. a survivor pension shall also be payable to eligible surviving children if there is no designated survivor beneficiary and the retirement board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office. The total amount of survivor pension payable for all eligible surviving children shall be either:

- (1) fifty percent of the deceased member's final average salary if an eligible surviving spouse is not paid a pension; or
- (2) twenty-five percent of the deceased member's final average salary if an eligible surviving spouse is paid a pension.

The total amount of survivor pension shall be divided equally among all eligible surviving children. If there is only one eligible child, the amount of pension shall be twenty-five percent of the deceased member's final average salary;

D. if the member had the applicable minimum number of years of service credit required for normal retirement, but the retirement board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office and there is no designated survivor beneficiary, a survivor pension shall be payable to the eligible surviving spouse. The amount of the survivor pension shall be the greater of:

- (1) the amount as calculated under the Judicial Retirement Act applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the total amount of actual service credit attributable to the deceased member at the time of death; or
- (2) thirty percent of the deceased member's final average salary;

E. if the member had the applicable minimum number of years of service credit required for normal retirement, but the retirement board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office and there is no designated survivor beneficiary, and if there is no eligible surviving spouse at the time of

death, a survivor pension shall be payable to and divided equally among all eligible surviving children, if any. The total amount of survivor pension payable for all eligible surviving children shall be the greater of:

(1) the amount as calculated under the Judicial Retirement Act applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B with the oldest eligible surviving child as the survivor beneficiary using the total amount of actual service credit attributable to the deceased member at the time of death; or

(2) thirty percent of the deceased member's final average salary;

F. an eligible surviving spouse is the spouse to whom the deceased member was married at the time of death. An eligible surviving child is a child under the age of eighteen years and who is an unmarried, natural or adopted child of the deceased member;

G. an eligible surviving spouse's pension shall terminate upon death. An eligible surviving child's pension shall terminate upon death or marriage or reaching age eighteen years, whichever comes first;

H. if there is no designated survivor beneficiary and there is no eligible surviving child, the eligible surviving spouse may elect to be refunded the deceased member's accumulated member contributions instead of receiving a survivor pension;

I. a member may designate a survivor beneficiary to receive a pre-retirement survivor pension, subject to the following conditions:

(1) a written designation, in the form prescribed by the association, is filed by the member with the association;

(2) if the member is married at the time of designation, the designation shall only be made with the consent of the member's spouse, in the form prescribed by the association;

(3) if the member is married subsequent to the time of designation, any prior designations shall automatically be revoked upon the date of the marriage;

(4) if the member is divorced subsequent to the time of designation, any prior designation of the former spouse or a supplemental needs trust to which the spouse is a beneficiary as survivor beneficiary shall automatically be revoked upon the date of divorce; and

(5) a designation of survivor beneficiary may be changed, with the member's spouse's consent if the member is married, by the member at any time prior to the member's death;

J. if there is a designated survivor beneficiary and the board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office, a survivor pension shall be payable to the designated survivor beneficiary. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the Judicial Retirement Act applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the member at the time of death; or

(2) fifty percent of the deceased member's final average salary;

K. if there is a designated survivor beneficiary, if the member had the applicable minimum number of years of service credit required for normal retirement and if the retirement board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office, a survivor pension shall be payable to the designated survivor beneficiary. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the Judicial Retirement Act applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the member at the time of death; or

(2) thirty percent of the deceased member's final average salary;

L. if all pension payments permanently terminate before there is paid an aggregate amount equal to the deceased member's accumulated member contributions at time of death, the difference between the amount of accumulated member contributions and the aggregate amount of pension paid shall be paid to the deceased member's refund beneficiary. If no refund beneficiary survives the survivor beneficiary, the difference shall be paid to the estate of the deceased member; and

M. for purposes of this section, "service credit" means only the service credit earned by a member during periods in office as a judge or justice.

**History:** 1978 Comp., § 10-12B-14.3, enacted by Laws 2014, ch. 35, § 13; 2023, ch. 156, § 10.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; and in Paragraph I(4), after "designation

of the former spouse", added "or a supplemental needs trust to which the spouse is a beneficiary".

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12B-15. Cost-of-living adjustment.**

A qualified pension recipient is eligible for a cost-of-living adjustment payable pursuant to the provisions of the Judicial Retirement Act as follows:

A. beginning July 1, 2014 and continuing through June 30, 2016, there shall not be a cost-of-living adjustment applied to a pension payable pursuant to the Judicial Retirement Act; and

B. beginning on May 1, 2016 and no later than each May 1 thereafter:

(1) the board shall certify to the association the actuarial funded ratio of the fund as of June 30 of the preceding calendar year;

(2) if, pursuant to Paragraph (1) of this subsection, the certified funded ratio is greater than or equal to one hundred percent, the board shall next certify the projected funded ratio of the fund on July 1 of the next succeeding calendar year if, effective July 1 of the current calendar year, a cost-of-living increase of two percent is applied to all payable pensions; and

(3) on each July 1 following the board's certification of the funded ratio, the cost-of-living adjustment, if any, applied to a pension payable pursuant to the Judicial Retirement Act shall be determined as follows:

(a) if, pursuant to Paragraph (1) of this subsection, the funded ratio of the fund is greater than or equal to one hundred percent, and if, pursuant to Paragraph (2) of this subsection, the projected funded ratio is greater than or equal to one hundred percent, the amount of pension payable beginning July 1 of the next fiscal year shall be increased two percent. The amount of the increase shall be determined by multiplying the amount of the pension inclusive of all prior adjustments by two percent; and

(b) if the funded ratio of the fund, as certified pursuant to Paragraph (1) or (2) of this subsection, is less than one hundred percent, the amount of pension payable shall not include a cost-of-living adjustment; provided, however, that, if, pursuant to the provisions of this subsection, the cost-of-living adjustment is suspended for the two consecutive fiscal years immediately prior to the most recent certification of the funded ratio by the board: 1) the amount of pension payable in the fiscal year immediately following the two-year suspension shall be increased two percent regardless of the certified funded ratio; and 2) thereafter, if, pursuant to the provisions of Paragraph (1) of

this subsection, the certified funded ratio is less than one hundred percent, the provisions of this subsection shall apply without exception in the next succeeding fiscal year.

**History:** Laws 1992, ch. 111, § 15; 2014, ch. 35, § 14.

## ANNOTATIONS

**The 2014 amendment**, effective July 1, 2014, provided for a temporary suspension and delay of the cost-of-living adjustment; provided for an annual determination of the cost-of-living adjustment; in the introductory paragraph, after "A", deleted "yearly cost-of-living adjustment shall be made to each pension" and added "qualified pension recipient is eligible for a cost-of-living adjustment", and after "Retirement Act as", deleted "provided in the Public Employees Retirement Act" and added "follows"; and added Subsections A and B.

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12B-15.1. Qualified pension recipient; cost-of-living-adjustment wait period; declining increase.**

A. Pursuant to the Judicial Retirement Act, a qualified pension recipient is a:

(1) normal retired member who retires:

(a) on or before June 30, 2014 and has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(b) between July 1, 2014 and June 30, 2015 and has been retired for at least three full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(c) between July 1, 2015 and June 30, 2016 and has been retired for at least four full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted; or

(d) on or after July 1, 2016 and has been retired for at least seven full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(2) normal retired member who is at least sixty-five years of age and has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;



(3) disability retired member who has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(4) survivor beneficiary who has received a survivor pension for at least two full calendar years; or

(5) survivor beneficiary of a deceased retired member who otherwise would have been retired at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted.

B. A qualified pension recipient may decline an increase in a pension by giving the association written notice of the decision to decline the increase at least thirty days prior to the date the increase would take effect.

**History:** 1978 Comp., § 10-12B-15.1, enacted by Laws 2014, ch. 35, § 15.

### **ANNOTATIONS**

**Effective dates.** — Laws 2014, ch. 35, § 17 provided that Laws 2014, ch. 35, § 15 was effective July 1, 2014.

**Severability.** — Laws 2014, ch. 35, § 16 provided that if any part or application of Laws 2014, ch. 35 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12B-16. Group insurance; continuation.**

If the provisions of the Retiree Health Care Act [Chapter 10, Article 7C NMSA 1978] do not apply to a retired member, that retired member may continue to be insured under the provisions of any state group insurance plan in effect at the time of retirement or under the terms of any separate subsequent state group insurance plan, if the retired member pays the entire periodic premium charges for such insurance and consents to have the periodic premium charges deducted from the retired member's pension.

**History:** Laws 1992, ch. 111, § 16.

### **10-12B-17. Suspension or forfeiture of benefits.**

A. If a member retires and is subsequently employed by any employer covered by any state system or the educational retirement system, the retired member's pension shall be suspended effective the first day of the month following the month in which the subsequent employment begins. The suspended pension of a previously retired member shall resume and be effective the first day of the month following the month in which the member leaves office or terminates the subsequent employment.

B. The right to receive a pension pursuant to the provisions of the Judicial Retirement Act shall be forfeited if the member is removed from office pursuant to the provisions of Article 6, Section 32 of the constitution of New Mexico and the member's only entitlement from the fund shall be the refund of the member's own contributions.

**History:** Laws 1992, ch. 111, § 17.

### **10-12B-18. Adjustment of pension.**

A. If payment of a pension or other retirement benefit causes a decrease in the amount of monetary payments or other needs-based benefits due to a payee from any other governmental agency, the pension or other retirement benefit shall be reduced for the period during which the pension or other retirement benefit prevents payment of another needs-based benefit to result in payment of the maximum amount possible by the association and the other governmental agency to the payee. Any amounts that would otherwise be paid out that are not paid in accordance with the provisions of this section shall not be recoverable by a payee at any later date.

B. If there is a change in the effect of pension or other retirement benefit on any monetary payments or other needs-based benefits due to a payee from any other governmental agency, the pension or other retirement benefits shall be adjusted to result in the maximum total benefit to the payee. In no event shall any pension be increased in an amount greater than that authorized by the Judicial Retirement Act.

C. The provisions of this section are mandatory and shall not be waived or declined by a payee. Each payee shall provide the association with all information necessary for the association to carry out the requirements imposed by this section.

D. If the payee fails to provide all the facts necessary to comply with the requirements imposed by this section, and payment of a pension or other retirement benefit is made without making the adjustment required by this section, neither the board, the executive director nor any officer or employee of the association or the board shall be liable to any third party because the adjustment was not made as required.

E. As used in this section:

(1) "pension" means a normal retirement, survivor or disability retirement pension payable to a retired member or survivor beneficiary pursuant to the Judicial Retirement Act;

(2) "governmental agency" means the federal government, any department or agency of the federal government, any state and any department, agency or political subdivision of a state;

(3) "total benefits" means pensions plus any other monetary payments or other needs-based benefits due to the payee from any governmental agency;

(4) "needs-based benefit" means monetary or other benefits for which a determination of eligibility is based upon the recipient's level of income and resources; and

(5) "payee" means a retired member or the refund beneficiary or survivor beneficiary of a retired member.

**History:** Laws 1995, ch. 115, § 4; 1997, ch. 189, § 13.

### **ANNOTATIONS**

**The 1997 amendment**, effective June 20, 1997, in Subsection D, deleted "retirement" preceding "board" in two places and substituted "director" for "secretary".

### **10-12B-19. Corrections of errors and omissions; estoppel.**

A. If an error or omission results in overpayment to a member or beneficiary of a member, the association shall correct the error or omission and adjust all future payments accordingly. The association shall recover all overpayments made for a period of up to one year prior to the date the error or omission was discovered.

B. A person who is paid more than the amount that is lawfully due him as a result of fraudulent information provided by the member or beneficiary shall be liable for the repayment of that amount to the association plus interest on that amount at the rate set by the board plus all costs of collection, including attorney fees if necessary. Recovery of such overpayment shall extend back to the date the first payment was made based on the fraudulent information.

C. Statements of fact or law made by board members or employees of the board or the association shall not estop the board or the association from acting in accordance with the applicable statutes.

**History:** Laws 1995, ch. 115, § 5; 1997, ch. 189, § 14.

### **ANNOTATIONS**

**The 1997 amendment**, effective June 20, 1997, in Subsection A, in the first sentence, deleted "in an application or its supporting documents" preceding "results" and added the language beginning "the association" and made a stylistic change in Subsection B.

## **ARTICLE 12C**

### **Magistrate Retirement**

#### **10-12C-1. Short title.**

Chapter 10, Article 12C NMSA 1978 may be cited as the "Magistrate Retirement Act".

**History:** Laws 1992, ch. 118, § 1; 2011, ch. 178, § 10.

## ANNOTATIONS

**The 2011 amendment,** effective July 1, 2011, changed the statutory reference to the act.

**Temporary provisions.** — Laws 2011, ch. 178, § 15 provided that for the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

Laws 2011, ch. 178, § 16, provided that notwithstanding a provision of Laws 2011, Chapter 178 to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

(1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and

(2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012.

**Impairment of contract and repeal of tax exemption.** — Because no private contractual rights were granted by the retirement plan, there was no impairment or breach of contract resulting from the 1990 repeal of the tax exemption provision contained in former Section 10-12A-12 NMSA 1978 and, although the plan conferred property rights that vested upon accumulating minimum earned service credits, those rights did not include the right to receive pension benefits exempt from tax. *Pierce v. State*, 1996-NMSC-001, 121 N.M. 212, 910 P.2d 288.

**Due process and repeal of tax exemption.** — Because the retirement plan provided no contractual or vested right to receive an irrevocable tax exemption, there was no constitutionally protected private interest in the tax exemption and there was no due process violation when the exemption was repealed. *Pierce v. State*, 1996-NMSC-001, 121 N.M. 212, 910 P.2d 288.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 46 Am. Jur. 2d Judges § 59.

48A C.J.S. Judges § 85.

## **10-12C-2. Definitions.**

As used in the Magistrate Retirement Act:

A. "association" means the public employees retirement association provided for in the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978];

B. "board" means the retirement board provided for in the Public Employees Retirement Act;

C. "dependent child" means a natural or adopted child who is physically or mentally incapable of financial self-support, regardless of age;

D. "educational retirement system" means the retirement system provided for in the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978];

E. "effective date of retirement" means the first day of the month following the month in which the member met all requirements for retirement;

F. "final average salary" means the amount that is one-sixtieth of the greatest aggregate amount of salary paid a member for sixty consecutive, but not necessarily continuous, months of service credit;

G. "former member" means a person no longer in office who was previously covered pursuant to the provisions of Sections 10-12A-1 through 10-12A-13 NMSA 1978, but who has not retired pursuant to the provisions of the Magistrate Retirement Act and who has received a refund of member contributions pursuant to the provisions of Sections 10-12C-1 through 10-12C-18 NMSA 1978;

H. "fund" means the magistrate retirement fund;

I. "magistrate" means a magistrate judge;

J. "member" means any magistrate who is in office and covered pursuant to the provisions of the Magistrate Retirement Act, or any person no longer in office who was previously a magistrate covered pursuant to the provisions of the Magistrate Retirement

Act, who has not retired and who has not received a refund of member contributions from the fund;

K. "member contributions" means the amounts deducted from the salary of a member and credited to the member's individual account, together with interest, if any, credited thereto;

L. "minor child" means a natural or adopted child who has not reached the child's eighteenth birthday and who has not been emancipated by marriage or otherwise;

M. "pension" means a series of monthly payments to a retired member or survivor beneficiary pursuant to the provisions of the Magistrate Retirement Act;

N. "refund beneficiary" means a supplemental needs trust or a natural person designated by the member, in writing in the form prescribed by the association, as the trust or person that would be refunded the member's accumulated member contributions payable if the member dies and no survivor pension is payable, or as the trust or person that would receive the difference between pension paid and accumulated member contributions if the retired member dies before receiving in pension payments the amount of the accumulated member contributions;

O. "retire" means to:

(1) terminate employment with all employers covered by any state system or the educational retirement system; and

(2) receive a pension from one state system or the educational retirement system;

P. "retired member" means a person who has met all requirements for retirement and who is receiving a pension from the fund;

Q. "salary" means the base salary or wages paid a member, including longevity pay, for personal services rendered; provided that salary does not include overtime pay; allowances for housing, clothing, equipment or travel; payments for unused sick leave, unless the unused sick leave payment is made through continuation of the member on the regular payroll for the period represented by that payment; and any other form of remuneration not specifically designated by law as included in salary pursuant to the provisions of the Magistrate Retirement Act;

R. "state system" means the retirement programs provided pursuant to the provisions of the Public Employees Retirement Act, the Magistrate Retirement Act and the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978];

S. "supplemental needs trust" means a valid third-party irrevocable trust that is authorized by the federal Social Security Act, as amended, for the sole benefit and the

lifetime of a trust beneficiary who is disabled and is created for the purpose of providing, accounting for or receiving supplemental assets that do not supplant, impair or diminish any benefits or assistance of any federal, state or other government entity for which the beneficiary would otherwise be eligible;

T. "surviving spouse" means the spouse to whom the member was married at the time of the member's death;

U. "survivor beneficiary" means a supplemental needs trust or a natural person that receives a pension or that has been designated to be paid a pension as a result of the death of a member or retired member; and

V. "years of service" means a period of time beginning on the date a person commences to hold office as a magistrate because of appointment or election and ending on the date a person ceases to hold office as a magistrate because of expiration of the magistrate's term, voluntary resignation, death or disability and shall include any fractions of years of service.

**History:** Laws 1992, ch. 118, § 2; 2003, ch. 81, § 4; 2014, ch. 39, § 2; 2014, ch. 43, § 2; 2023, ch. 156, § 11.

## ANNOTATIONS

**The 2023 amendment,** effective June 16, 2023, defined "supplemental needs trust" and revised the definitions of "refund beneficiary" and "survivor beneficiary"; in Subsection N, after "means a", added "supplemental needs trust or a natural", and added "trust or" preceding each occurrence of "person"; added a new Subsection S and redesignated former Subsections S through U as Subsections T through V, respectively; and in Subsection U, after "means a", added "supplemental needs trust or a natural".

**The 2014 amendment,** effective July 1, 2014, defined "final average salary" to increase the number of years used to calculate the final average salary; and added Subsection F.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2003 amendment,** effective July 1, 2003, in Subsection F substituted "covered" for "a magistrate" following "who was previously" near the beginning, and added "pursuant to the provisions of Sections 10-12C-1 through 10-12C-18 NMSA 1978" at the end; deleted "or a metropolitan court" following "magistrate" near the end of Subsection H; substituted "and" for "or" following "eighteenth birthday" near the middle of Subsection K; and substituted "would receive" for "received" near the middle of Subsection M.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — What constitutes "salary," "wages," "pay," or the like, within pension law basing benefits thereon, 91 A.L.R.5th 225.

### **10-12C-3. Magistrate retirement fund established; administration of fund; accounting funds.**

A. There is established in the state treasury the "magistrate retirement fund". The fund is comprised of money received from docket fees of magistrate courts, employer and member contributions and any investment earnings on fees and contributions. The board is the trustee of the fund and shall administer and invest the fund. Investment of the fund shall be conducted pursuant to the provisions of the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978]. The provisions of the Magistrate Retirement Act shall be administered by the board. The board is authorized to promulgate rules. Expenses related to the investment of the fund and administration of the Magistrate Retirement Act shall be paid from the fund.

B. For purposes of this section, the accounting funds shall be known as the "member contribution fund", "employer's accumulation fund", "retirement reserve fund" and "income fund". The maintenance of separate accounting funds shall not require the actual segregation of the assets of the fund.

C. The accounting funds provided for in this section are trust funds and shall be used only for the purposes provided for in the Magistrate Retirement Act.

D. The member contribution fund is the accounting fund in which shall be accumulated contributions of members and from which shall be made refunds and transfers of accumulated member contributions as provided in the Magistrate Retirement Act. The member's court shall cause member contributions to be deducted from the salary of the member and shall remit the deducted member contributions to the association in accordance with procedures and schedules established by the association. The association may assess an interest charge and a penalty charge on any late remittance. Each member shall be deemed to consent and agree to the deductions made and provided for in this section. Contributions by members shall be credited to the members' individual accounts in the member contribution fund. A member's accumulated member contributions shall be transferred to the retirement reserve fund when a pension becomes payable.

E. The employer's accumulation fund is the accounting fund in which shall be accumulated the contributions paid by the state through the administrative office of the courts. The state, through the administrative office of the courts, shall remit its contributions to the association in accordance with procedures and schedules established by the association. The board may assess an interest charge and a penalty charge on any late remittance.

F. The retirement reserve fund is the accounting fund from which shall be paid all pensions to retired members and survivor beneficiaries and all residual refunds to refund beneficiaries of retired members and survivor beneficiaries.



G. Each year, following receipt of the report of the annual actuarial valuation, the excess, if any, of the reported actuarial present value of pensions being paid and likely to be paid to retired members and survivor beneficiaries and residual refunds likely to be paid to refund beneficiaries of retired members and survivor beneficiaries over the balance in the retirement reserve fund shall be transferred to the retirement reserve fund from the employer's accumulation fund.

H. The income fund is the accounting fund to which shall be credited all interest, dividends, rents and other income from investments of the fund, all gifts and bequests, all unclaimed member contributions and all other money the disposition of which is not specifically provided for in the Magistrate Retirement Act. Expenses related to the administration of the Magistrate Retirement Act shall be paid for from the income fund.

I. The association shall at least annually distribute all or a portion of the balance in the income fund to the member contribution fund, the retirement reserve fund and the employer's accumulation fund. Distribution rates shall be determined by the board and may vary for the respective accounting funds.

**History:** Laws 1992, ch. 118, § 3; 1995, ch. 115, § 11; 2003, ch. 81, § 5.

#### **ANNOTATIONS**

**The 2003 amendment**, effective July 1, 2003, in Subsection A deleted "and metropolitan" following "fees of magistrate" near the beginning and deleted "and regulations" following "promulgate rules" near the end.

**The 1995 amendment**, effective June 16, 1995, substituted "member" for "employee" in the second sentence in Subsection A; deleted the former last two sentences in Subsection D, relating to death of a member; and made a minor stylistic change in Subsection D.

#### **10-12C-4. Membership.**

Every magistrate while in office shall become a member and shall be subject to the provisions of the Magistrate Retirement Act; provided, however, that a magistrate who, prior to July 1, 2014, applied for and received an exemption from membership shall not become a member until such exemption ends. A magistrate who is retired under any state system or the educational retirement system shall:

A. pay the applicable member contributions and the state, through the administrative office of the courts, shall pay the applicable employer contributions as provided pursuant to the Magistrate Retirement Act; and

B. not accrue a service credit and shall not be eligible to purchase service credit nor to retire pursuant to the Magistrate Retirement Act.

**History:** Laws 1992, ch. 118, § 4; 2014, ch. 39, § 3; 2014, ch. 43, § 3.

## ANNOTATIONS

**The 2014 amendment**, effective July 1, 2014, eliminated the optional exemption from membership in the magistrate retirement system; required membership; in the first sentence, deleted the former language which provided an exception for magistrates who elected to be covered by the Public Employees Retirement Act and magistrates who previously retired pursuant to a state system or the educational retirement system; after "Every magistrate", added "while", after "while in office", deleted "on or after the effective date of the Magistrate Retirement Act", after "become a member", deleted "upon appointment or election to that office", and after "Magistrate Retirement Act", deleted "upon taking office; unless a written application for exemption from membership is filed with the association within ninety days of taking office", deleted the former second sentence which provided for an exemption from membership in the magistrate retirement system, added the second sentence, including Subsections A and B, and deleted the former third sentence which provided for the resumption of membership upon revocation of the exemption.

Laws 2014, ch. 39, § 3 and Laws 2014, ch. 43, § 3, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 3. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-5. Service credit; reinstatement of forfeited service; prior service; military service.**

A. Personal service rendered by a member shall be credited to the member's service credit account in accordance with board rules and regulations. Service shall be credited to the nearest month. In no case shall any member be credited with a year of service for less than twelve months of service in any calendar year or more than a month of service for all service in any calendar month or more than a year of service for all service in any calendar year.

B. Service credit shall be forfeited if a member leaves office and withdraws the member's accumulated member contributions. A member or former member who is a member of another state system or the educational retirement system who has forfeited service credit by withdrawal of member contributions may reinstate the forfeited service credit by repaying the amount withdrawn plus compound interest from the date of withdrawal to the date of repayment at a rate set by the board. Withdrawn member contributions may be repaid in increments of one year in accordance with procedures established by the board. Full payment of each one-year increment shall be made in a single lump-sum amount in accordance with procedures established by the board.

C. Service credit that a member would have earned if the member had not elected to be excluded from membership may be purchased if the member pays the purchase cost determined pursuant to the provisions of Subsection F of this section.

D. A member who during a term of office enters a uniformed service of the United States shall be given service credit for periods of service in the uniformed services subject to the following conditions:

(1) the member returns to office within ninety days following termination of the period of intervening service in the uniformed services or the affiliated employer certifies in writing to the association that the member is entitled to reemployment rights under the federal Uniformed Services Employment and Reemployment Rights Act of 1994;

(2) the member retains membership in the association during the period of service in the uniformed services;

(3) free service credit shall not be given for periods of intervening service in the uniformed services following voluntary reenlistment. Service credit for such periods shall only be given after the member pays the association the sum of the contributions that the person would have been required to contribute had the person remained continuously employed throughout the period of intervening service following voluntary reenlistment, which payment shall be made during the period beginning with the date of reemployment and whose duration is three times the period of the person's intervening service in the uniformed services following voluntary reenlistment, not to exceed five years;

(4) service credit shall not be given for periods of intervening service in the uniformed services that are used to obtain or increase a benefit from another state system or the retirement program provided under the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978]; and

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions.

Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code of 1986, as amended.

E. A member who entered a uniformed service of the United States may purchase service credit for periods of active duty in the uniformed services, subject to the following conditions:

(1) the member pays the purchase cost determined pursuant to the provisions of Subsection F of this section;

(2) the member has the applicable minimum number of years of service credit accrued according to the provisions of the Magistrate Retirement Act;

(3) the aggregate amount of service credit purchased pursuant to the provisions of this subsection does not exceed five years, reduced by any period of service credit acquired for military service under any other provision of the Magistrate Retirement Act;

(4) service credit may not be purchased for periods of service in the uniformed services that are used to obtain or increase a benefit from another retirement program; and

(5) the member must not have received a discharge or separation from uniformed service under other than honorable conditions.

F. The purchase cost for each year of service credit purchased pursuant to the provisions of this section shall be the increase in the actuarial present value of the pension of the member under the Magistrate Retirement Act as a consequence of the purchase, as determined by the association. Full payment shall be made in a single lump-sum amount in accordance with procedures established by the board. Except as provided in Subsection G of this section, seventy-five percent of the purchase cost shall be considered to be employer contributions and shall not be refunded to the member in the event of cessation of membership.

G. A member shall be refunded, after retirement and upon written request filed with the association, the portion of the purchase cost of service credit purchased pursuant to the provisions of this section that the association determines to have been unnecessary to provide the member with the maximum pension applicable to the member. The association shall not pay interest on the portion of the purchase cost refunded to the member.

H. At any time prior to retirement, a member may purchase service credit in monthly increments, subject to the following conditions:

(1) the member has the applicable minimum number of years of service credit acquired as a result of personal service rendered under the Magistrate Retirement Act;

(2) the aggregate amount of service credit purchased pursuant to this subsection does not exceed one year;

(3) the member pays full actuarial present value of the amount of the increase in the member's pension as a consequence of the purchase, as determined by the association;

(4) the member pays the full cost of the purchase within sixty days of the date the member is informed of the amount of the payment; and

(5) the purchase of service credit under this subsection cannot be used to exceed the pension maximum.

**History:** Laws 1992, ch. 118, § 5; 1997, ch. 189, § 15; 2007, ch. 134, § 1; 2014, ch. 39, § 4; 2014, ch. 43, § 4.

## ANNOTATIONS

**Cross references.** — For the federal Uniformed Services Employment and Reemployment Rights Act, see 38 U.S.C.S. § 4301 et seq.

For Section 414(u) of the federal Internal Revenue Code, see 26 U.S.C.S. § 414(u).

**The 2014 amendment,** effective July 1, 2014, provided for the purchase of service credit if a member has the applicable minimum number of years of service credit in the magistrate retirement system; in Subsection D, in Paragraph (1), after "reemployment rights under the", added "federal"; in Subsection E, in Paragraph (2), after "the member has", deleted "five or more" and added "the applicable minimum number of"; and in Subsection H, in Paragraph (1), after "the member has", deleted "at least five" and added "the applicable minimum number of".

Laws 2014, ch. 39, § 4 and Laws 2014, ch. 43, § 4, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 4. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2007 amendment,** effective June 15, 2007, added Subsection H.

**The 1997 amendment,** effective June 20, 1997, rewrote Subsection D; and in Subsection E, in the introductory language, substituted "a uniformed" for "an armed" and inserted "in the uniformed services", rewrote Paragraph (4), added Paragraph (5) and made related stylistic changes.

### 10-12C-6. Refund of contributions.

A. If a member leaves office, the member may, with the written consent of the member's spouse, if any, withdraw the member's accumulated member contributions, upon making written request in a form prescribed by the association. Upon written request of the member in the form prescribed by the association, a refund of member contributions may be made by a trustee-to-trustee transfer of the contributions from the member contribution fund directly to another qualified plan as allowed by the Internal Revenue Code of 1986. Withdrawal of member contributions shall result in forfeiture of the service credit accrued for the period during which the contributions were made.

B. A member shall, upon commencement of membership, designate a refund beneficiary who shall receive the refund of the member contributions, plus interest if any, if the member dies and no survivor pension is payable. If the member is married at the time of designation, written spousal consent shall be required if the designated refund beneficiary is a person other than the spouse or a supplemental needs trust to which the spouse is a beneficiary. Marriage subsequent to the designation shall automatically revoke a previous designation, and the spouse shall become the refund beneficiary unless or until another designation is filed with the association. Divorce subsequent to the designation shall automatically revoke designation of the former spouse as refund beneficiary, or the right of the former spouse to be refund beneficiary if no designation has been filed, and the refund shall be paid to the deceased member's estate unless the member filed a designation of refund beneficiary subsequent to the divorce. The refund shall be paid to the refund beneficiary named in the most recent designation of refund beneficiary on file with the association unless that beneficiary is deceased or otherwise terminated. If there is not a living or operating refund beneficiary named in the most recent designation of refund beneficiary on file with the association, the deceased member's accumulated member contributions shall be paid to the estate of the deceased member.

**History:** Laws 1992, ch. 118, § 6; 1995, ch. 115, § 12; 2023, ch. 156, § 12.

## ANNOTATIONS

**Cross references.** — For the federal Internal Revenue Code, see 26 U.S.C. § 1 et seq.

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named a refund beneficiary; and after "a person other than the spouse", added "or a supplemental needs trust to which the spouse is a beneficiary", after "that beneficiary is deceased", added "or otherwise terminated", and after "not a living", added "or operating".

**The 1995 amendment**, effective June 16, 1995, rewrote this section to the extent that a detailed comparison is impracticable.

### **10-12C-7. Funds not subject to legal process; division of funds as community property; legal process to satisfy child support obligations.**

A. Except as provided in Subsections B and C of this section, none of the money, pensions or other benefits provided pursuant to the provisions of the Magistrate Retirement Act shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment or other legal process.

B. A court of competent jurisdiction, solely for the purposes of effecting a division of community property in a divorce or legal separation proceeding, may provide by appropriate order for a determination and division of a community interest in the

pensions or other benefits provided for in the Magistrate Retirement Act. The court shall fix the manner in which warrants are issued, may order direct payments to a person with a community interest in the pensions or other benefits, may require the election of a specific form of payment and designation of a specific survivor beneficiary or refund beneficiary and may restrain the refund of accumulated member contributions. Payments made pursuant to such orders shall only be made when member contributions are refunded or a pension is payable in accordance with the provisions of the Magistrate Retirement Act. The court shall not alter the manner in which the amount of pensions or other benefits is calculated by the association or cause any increase in the actuarial present value of the pensions or other benefits to be paid by the association.

C. A court of competent jurisdiction, solely for the purposes of enforcing current or delinquent child-support obligations, may provide by appropriate order for withholding amounts due in satisfaction of current or delinquent child-support obligations from the pensions or other benefits provided for in the Magistrate Retirement Act and for payment of such amounts to third parties. The court shall not alter the manner in which the amount of pensions or other benefits is calculated by the association. The court shall not cause any increase in the actuarial present value of the pensions or other benefits to be paid from the fund. Payments made pursuant to such orders shall only be made when member contributions are refunded or when a pension is payable in accordance with the provisions of the Magistrate Retirement Act. In no case shall more money be paid out, either in a lump sum or in monthly pension payments, of the fund in enforcement of current or delinquent child-support obligations than would otherwise be payable at that time.

**History:** Laws 1992, ch. 118, § 7; 1995, ch. 115, § 13.

## ANNOTATIONS

**Cross references.** — For exemption from legal process for Public Employees Retirement Act benefits, see 10-11-135 NMSA 1978.

For exemption from legal Judicial Retirement Act benefits, see 10-12B-7 NMSA 1978.

For exemption from legal process for Educational Retirement Act benefits, see 22-11-42 NMSA 1978.

For exemption from legal process for interest from state police pension fund, see 29-4-10 NMSA 1978.

For exemption from legal process for married persons or heads of households, see 42-10-1 NMSA 1978.

For rules governing garnishment and writs of execution in the district, magistrate, and metropolitan courts, see Rules 1-065.1, 2-801, and 3-801 NMRA, respectively.

For form for claim of exemptions on executions, see Rule 4-803 NMRA.

For form for order on claim of exemption and order to pay in execution proceedings, see Rule 4-804 NMRA.

For form for application for writ of garnishment and affidavit, see Rule 4-805 NMRA.

For form for notice of right to claim exemptions from execution, see Rule 4-808A NMRA.

For form for claim of exemption from garnishment, see Rule 4-809 NMRA.

**The 1995 amendment**, effective June 16, 1995, in Subsection B, inserted "in a divorce or legal separation proceeding" in the first sentence, and "election of a specific form of payment and" in the second sentence, inserted the third sentence, and substituted "by the association" for "from the fund" at the end of the last sentence; and, in Subsection C, substituted "member contributions are refunded or when a pension is payable in accordance with the provisions of the Magistrate Retirement Act" for "the member leaves office and requests a refund of contributions or when the member retires" in the next-to-last sentence and "pension payments" for "benefits" in the last sentence.

### **10-12C-8. Age and service credit requirements for normal retirement.**

A. For a magistrate who was a member on June 30, 2014, the age and service credit requirements for retirement provided for in the Magistrate Retirement Act are:

- (1) age sixty-five years or older and five or more years of service credit;
- (2) age sixty years or older and fifteen or more years of service credit; or
- (3) any age and twenty-four or more years of service credit.

B. For a magistrate who initially became a member on or after July 1, 2014, the age and service requirements for normal retirement provided for in the Magistrate Retirement Act are:

- (1) age sixty-five years or older and eight or more years of service credit;
- (2) age sixty years or older and fifteen or more years of service credit; or
- (3) any age and twenty-four or more years of service credit.

C. Except for a member who is retired under any state system or the educational retirement system, if a member leaves office for any reason, other than removal pursuant to Article 6, Section 32 of the constitution of New Mexico before meeting the age and service credit requirements for retirement pursuant to the provisions of this



section and if that member leaves the member contributions on deposit in the fund, that member may apply for retirement when that member meets the age and service credit requirements for retirement pursuant to the provisions of the Magistrate Retirement Act or provisions of the Public Employees Retirement Reciprocity Act [Chapter 10, Article 13A NMSA 1978].

D. No member shall be eligible to receive a pension pursuant to the provisions of the Magistrate Retirement Act while still in office.

**History:** Laws 1992, ch. 118, § 8; 2014, ch. 39, § 5; 2014, ch. 43, § 5.

### ANNOTATIONS

**The 2014 amendment**, effective July 1, 2014, changed the age and service requirements for normal retirement; in Subsection A, in the introductory sentence, added "For a magistrate who was a member on June 30, 2014"; in Subsection A, Paragraph (1), after "age", deleted "sixty-four" and added "sixty-five"; added Subsection B; in Subsection C, at the beginning of the sentence, added "Except for a member who is retired under any state system or the educational retirement system", and at the end of the sentence, deleted "if enacted by the second session of the fortieth legislature of the state of New Mexico".

Laws 2014, ch. 39, § 5 and Laws 2014, ch. 43, § 5, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 5. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### 10-12C-9. Amount of pension.

A. For a magistrate who was a member on June 30, 2014, the monthly pension is an amount equal to the sum of:

(1) for service credit earned on or before June 30, 2014, the amount is equal to one-twelfth of:

seventy-five percent  
of salary received  
during last year in  
office prior to  
retirement

X .05 X

(number of years of  
service, not exceeding  
fifteen years,  
plus five years); and

(2) for service credit earned on and after July 1, 2014, an amount equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive,

but not necessarily continuous, months in office multiplied by the product of three and one-half percent times the sum of the number of years of service.

B. For a magistrate who initially became a member on or after July 1, 2014, the amount of monthly pension is equal to one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months in office multiplied by the product of three percent times the sum of the number of years of service.

C. The amount of monthly pension under form of payment A for a pension calculated pursuant to Subsection B of this section shall not exceed eighty-five percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office.

D. The amount of monthly pension payable for a pension calculated pursuant to Subsection A of this section shall not exceed eighty-five percent of one-sixtieth of the greatest aggregate amount of salary received for sixty consecutive, but not necessarily continuous, months prior to the member leaving office. A pension benefit determined pursuant to this subsection shall not be less than the benefit earned as of June 30, 2014.

**History:** Laws 1992, ch. 118, § 9; 2014, ch. 39, § 6; 2014, ch. 43, § 6.

## ANNOTATIONS

**The 2014 amendment**, effective July 1, 2014, decreased the pension multiplier for services credit earned after June 30, 2014; increased the maximum pension benefit; in Subsection A, added the introductory sentence; in Subsection A, Paragraph (1), at the beginning of the sentence, added "for service credit earned on or before June 30, 2014", and after "the amount", deleted "of pension"; in Subsection A, added Paragraph (2); and added Subsections B, C and D.

Laws 2014, ch. 39, § 6 and Laws 2014, ch. 43, § 6, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 6. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-10. Member contributions; tax treatment.**

A. On and after July 1, 2014, members, while in office, shall contribute ten and one-half percent of salary to the member contribution fund.

B. Upon implementation, the state, acting as employer of members covered pursuant to the provisions of the Magistrate Retirement Act, shall, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code of 1986, pick up, for the purposes specified in that section, member contributions required by this section for all annual salary earned by the member. Member contributions picked up pursuant to the provisions of this section shall be treated as employer contributions for purposes of determining income tax obligations under the Internal Revenue Code of 1986; however, such picked-up member contributions shall be included in the determination of the member's gross annual salary for all other purposes under federal and state laws. Member contributions picked up pursuant to the provisions of this section shall continue to be designated member contributions for all purposes of the Magistrate Retirement Act and shall be considered as part of the member's annual salary for purposes of determining the amount of the member's contribution. The provisions of this section are mandatory, and the member shall have no option concerning the pick up or concerning the receipt of the contributed amounts directly instead of having the amounts paid by the employer to the retirement system. Implementation occurs upon authorization by the board. In no event may implementation occur other than at the beginning of a pay period applicable to the member.

**History:** Laws 1992, ch. 118, § 10; 2004, ch. 101, § 2; 2005, ch. 247, § 1; 2009, ch. 127, § 9; 2011, ch. 178, § 11; 2014, ch. 39, § 7; 2014, ch. 43, § 7.

## ANNOTATIONS

**Cross references.** — For Section 414(h) of the Internal Revenue Code of 1986, see 26 U.S.C. § 414(h).

**The 2014 amendment,** effective July 1, 2014, increased contribution rates; in Subsection A, at the beginning of the sentence, added "On and after July 1, 2014", after "shall contribute", deleted "the following amounts" and added "ten and one-half percent of salary"; and in Subsection A, deleted former Paragraphs (1) and (2) which provided a schedule of contribution rates.

Laws 2014, ch. 39, § 7 and Laws 2014, ch. 43, § 7, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 7. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment,** effective July 1, 2011, for the period from July 1, 2011 through June 30, 2012, increased the member contribution rate for members whose annual salary is more than twenty thousand dollars.

**Temporary provisions.** — Laws 2011, ch. 178, § 15 provided that for the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

Laws 2011, ch. 178, § 16, provided that notwithstanding a provision of Laws 2011, Chapter 178 to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

(1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and

(2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012.

**The 2009 amendment**, effective July 1, 2009, in Paragraph (2) of Subsection A, added the exception at the end of the sentence.

**The 2005 amendment**, effective July 1, 2005, provided the schedule of member contributions in Subsection A(1) and (2); and deleted former Subsection C.

**The 2004 amendment**, effective July 1, 2004, amended Subsection A to increase the contribution rate from 5% to 5 1/2% and added Subsection C making the increase in member contributions contingent upon a 6% salary increase for justices and judges.

## **10-12C-11. Employer contributions.**

A. The state, through the administrative office of the courts, shall contribute to the fund fifteen percent of salary for each member in office, except that, from July 1, 2014 through June 30, 2015, the state contribution rate shall be eleven percent of salary for each member in office.

B. Twenty-five dollars (\$25.00) from each civil case docket fee paid in magistrate court and ten dollars (\$10.00) from each civil jury fee paid in magistrate court shall be paid by the court clerk to the employer's accumulation fund.

**History:** Laws 1992, ch. 118, § 11; 2003, ch. 81, § 6; 2005, ch. 247, § 2; 2009, ch. 127, § 10; 2011, ch. 178, § 12; 2014, ch. 39, § 8; 2014, ch. 43, § 8.

## ANNOTATIONS

**The 2014 amendment**, effective July 1, 2014, increased contribution rates; in Subsection A, after "shall contribute", deleted "the following amounts" and after "contribute to the fund", added "fifteen percent of salary for each member in office, except that", after "from July 1", changed "2012" to "2014", after "through June 30", changed "2013" to "2015", and after "contribution rate shall be", deleted "nine and one-half" and added "eleven"; and in Subsection A, deleted former Paragraphs (1) and (2)(a) and (b), which provided a schedule of contribution rates.

Laws 2014, ch. 39, § 8 and Laws 2014, ch. 43, § 8, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 8. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**The 2011 amendment**, effective July 1, 2011, decreased the state contribution rate for the period from July 1, 2011 through June 30, 2012.

**Temporary provisions.** — Laws 2011, ch. 178, § 15 provided that for the purposes of calculating employee and employer contributions due after June 30, 2011, in determining whether an employee has an annual salary greater or less than twenty thousand dollars (\$20,000), the employee's annual salary shall be the employee's base hourly rate at the time the contribution is made multiplied by the number of compensable hours for a full-time-equivalent in the employee's position at the time the contribution is made as determined by the employer; provided that the department of finance and administration shall determine the number of compensable hours for a full-time-equivalent in the employee's position for employees who are members in a retirement program provided for in the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

Laws 2011, ch. 178, § 16, provided that notwithstanding a provision of Laws 2011, Chapter 178 to the contrary, the employer and employee contribution rates required by this act for the period from July 1, 2011 through June 30, 2012 shall continue for the period from July 1, 2012 through June 30, 2013 if, after the last consensus revenue forecast before the beginning of the second session of the fiftieth legislature, the secretary of finance and administration certifies to the retirement board of the public

employees retirement association, the educational retirement board and the legislative finance committee that, according to the consensus revenue forecast:

(1) general fund revenues in fiscal year 2012 will be less than one hundred million dollars (\$100,000,000) more than the general fund revenue forecast reflected in the fiscal year 2012 state budget; and

(2) at the end of fiscal year 2012, the total amount in the state reserve funds will be less than five percent of the total general fund appropriations for fiscal year 2012.

**The 2009 amendment**, effective July 1, 2009, in Subsection A(2), added the exception at the end of the sentence.

**The 2005 amendment**, effective July 1, 2005, provided the schedule of state contributions in Subsections A(1) and (2).

**The 2003 amendment**, effective July 1, 2003 deleted "or metropolitan" following "in magistrate" twice in Subsection B.

## **10-12C-12. Disability retirement pension.**

A. A magistrate with the applicable minimum number of years of service credit accrued pursuant to the provisions of the Magistrate Retirement Act who becomes unable to carry out the duties of that office due to physical or mental disability shall, upon determination of the disability and relinquishment of office, receive a pension from the fund so long as the disability continues. Determination of disability shall be made by the board in accordance with the provisions of the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978] and rules promulgated pursuant to that act.

B. The amount of the pension shall be calculated using the formula for normal retirement set out in Section 10-12C-9 NMSA 1978.

C. The applicable service credit requirement shall be waived if the board finds the disability to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty as a magistrate, and the amount of pension shall be computed as if the member had the applicable minimum number of years of service credit as a magistrate.

**History:** Laws 1992, ch. 118, § 12; 2014, ch. 39, § 9; 2014, ch. 43, § 9.

### **ANNOTATIONS**

**The 2014 amendment**, effective July 1, 2014, based the disability pension on the applicable minimum number of years of service credit; in Subsection A, after "magistrate with", deleted "five" and added "the applicable minimum number of", and after "minimum number of years" deleted "or more"; and in Subsection C, after "The", deleted "five-

year" and added "applicable", and after "computed as if the member had", deleted "five" and added "the applicable minimum number of".

Laws 2014, ch. 39, § 9 and Laws 2014, ch. 43, § 9, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 9. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-13. Survivor's pension.**

For a member whose initial term in office began prior to July 1, 2014:

A. unless the member has designated a survivor beneficiary in accordance with Subsection B of this section, a survivor pension shall be paid for life to a member's or retired member's surviving spouse;

B. the member may designate, in writing in a form prescribed by the association, a survivor beneficiary to receive the survivor's pension described in this section. If the member is married, a designation of survivor beneficiary other than the member's spouse or a supplemental needs trust to which the spouse is a beneficiary may only be made with the written consent of the member's spouse. Marriage subsequent to a designation of survivor beneficiary shall automatically revoke the designation of survivor beneficiary. A designation of survivor beneficiary made pursuant to a court order issued under Section 10-12C-7 NMSA 1978 shall not require the consent of the member's spouse, if any, and shall not be revoked by the subsequent remarriage of the member. A designation of survivor beneficiary may be revoked by the member at any time prior to the member's retirement. If the member is married, a revocation of designation of survivor beneficiary may only be made with the written consent of the member's spouse;

C. if there is no surviving spouse and no designated survivor beneficiary or if the surviving spouse dies while there are still minor and dependent children of the member, the survivor's pension shall be paid to all minor and dependent children, if any, of the member, in equal shares, so long as each child remains a minor or dependent child. As each child ceases to be a minor or dependent child, the number of shares shall be reduced and the amount payable to each remaining child increased proportionately so that the total survivor's pension remains unchanged as long as there is any such child;

D. the survivor's pension is equal to seventy-five percent of the member's pension;

E. survivor beneficiaries shall be eligible for other benefits provided pursuant to the provisions of the Magistrate Retirement Act, including cost-of-living adjustments and continuation of group insurance benefits; and

F. if a member dies while receiving a disability retirement pension, the survivor beneficiary shall receive the survivor pension provided pursuant to the provisions of the Magistrate Retirement Act.

**History:** Laws 1992, ch. 118, § 13; 2014, ch. 39, § 10; 2014, ch. 43, § 10; 2023, ch. 156, § 13.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; and in Subsection B, after "other than the member's spouse", added "or a supplemental needs trust to which the spouse is a beneficiary".

**The 2014 amendment**, effective July 1, 2014, provided for survivor's pension for magistrates; and at the beginning of the subsection, added "For a member whose initial term in office began prior to July 1, 2014".

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-13.1. Election form of pension.**

For a member whose initial term in office begins on or after July 1, 2014, except as otherwise provided in Section 10-12C-7 NMSA 1978:

A. the member may elect to have pension payments made under any one of the forms of payment provided in Section 10-12C-13.2 NMSA 1978. The election of form of payment and naming of survivor pension beneficiary shall be made on a form furnished by and filed with the association prior to the date the first pension payment is made. An election of form of payment may not be changed after the date the first pension payment is made. If the member is married, the association shall require the consent of the member's spouse to the election of the form of payment and any designation of survivor pension beneficiary before the election or designation is effective. Except as provided in Subsection C, D or E of this section, a named survivor pension beneficiary may not be changed after the date the first pension payment is made if form of payment B or C is elected. Except as otherwise provided in Section 10-12C-7 NMSA 1978, payment shall be made:

(1) under form of payment A if the member is not married at the time of retirement and if there is not a timely election of another form of payment; or

(2) under form of payment C with the member's spouse as survivor pension beneficiary if the member is married at the time of retirement and there is not a timely election of another form of payment;



B. the amount of pension under forms of payment B, C and D shall have the same actuarial present value, computed as of the effective date of the pension, as the amount of pension under form of payment A;

C. if the member is a retired member who is being paid a pension under form of payment B or C with the member's spouse or a supplemental needs trust to which the spouse is a beneficiary as the designated survivor pension beneficiary, the retired member may, upon becoming divorced from the named spouse and subject to an order of a court as provided for in Section 10-12C-7 NMSA 1978, elect to have future payments made under form of payment A;

D. if the member is retired and was previously being paid a pension under form of payment B or C but, because of the death of the designated survivor pension beneficiary or the death of the beneficiary of a supplemental needs trust or the termination of that trust, is currently receiving a pension under form of payment A, the retired member may exercise a one-time irrevocable option to designate another survivor pension beneficiary and may select either form of payment B or form of payment C; provided that:

(1) the amount of the pension under the form of payment selected shall be recalculated and have the same actuarial present value, computed on the effective date of the designation, as the amount of pension under form of payment A;

(2) the designation and the amount of the pension shall be subject to a court order as provided for in Section 10-12C-7 NMSA 1978; and

(3) the retired member shall pay one hundred dollars (\$100) to the board to defray the cost of determining the new pension amount; and

E. if the member is a retired member who is being paid a pension under form of payment B or C with a living or operating designated survivor pension beneficiary other than the retired member's spouse or former spouse or the supplemental needs trust of the retired member's spouse or former spouse, the retired member may exercise a one-time irrevocable option to deselect the designated beneficiary and elect to:

(1) designate another survivor pension beneficiary; provided that:

(a) the retired member shall not have an option to change from the current form of payment;

(b) the amount of the pension under the form of payment shall be recalculated and shall have the same actuarial present value, computed as of the effective date of the designation, as the amount of pension under form of payment A; and

(c) the retired member shall pay one hundred dollars (\$100) to the board to defray the cost of determining the new pension amount; or

- (2) have future payments made under form of payment A.

**History:** 1978 Comp., § 10-12C-13.1, enacted by Laws 2014, ch. 39, § 11; 2014, ch. 43, § 11; 2023, ch. 156, § 14.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; in Subsection C, after "with the member's spouse", added "or a supplemental needs trust to which the spouse is a beneficiary"; in Subsection D, in the introductory clause, after "pension beneficiary", added "or the death of the beneficiary of a supplemental needs trust or the termination of that trust"; and in Subsection E, after "spouse or former spouse", added "or the supplemental needs trust of the retired member's spouse or former spouse".

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### 10-12C-13.2. Form of pension payment.

A. Straight life pension is form of payment A. The retired member is paid the pension for life under form of payment A. All payments stop upon the death of the retired member, except as provided by Subsection E of this section. The amount of pension is determined in accordance with the coverage plan applicable to the retired member.

B. Life payments with full continuation to one survivor beneficiary is form of payment B. The retired member is paid a reduced pension for life under form of payment B. When the retired member dies, the designated survivor beneficiary is paid the full amount of the reduced pension until death or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust. If the designated survivor beneficiary or the beneficiary of a supplemental needs trust predeceases the retired member or if the supplemental needs trust terminates while the retired member is living, the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment A.

C. Life payment with one-half continuation to one survivor beneficiary is form of payment C. The retired member is paid a reduced pension for life under form of payment C. When the retired member dies, the designated survivor beneficiary is paid one-half the amount of the reduced pension until death or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust. If the designated survivor beneficiary or the beneficiary of a supplemental needs trust predeceases the retired member or if the supplemental needs trust terminates while the retired member is living, the amount

of pension shall be changed to the amount that would have been payable had the retired member elected form of payment A.

D. Life payments with temporary survivor benefits for children is form of payment D. The retired member is paid a reduced pension for life under form of payment D. When the retired member dies, each declared eligible child is paid a share of the reduced pension until death or age twenty-five years, whichever occurs first. The share is the share specified in writing and filed with the association by the retired member. If shares are not specified in writing and filed with the association, each declared eligible child is paid an equal share of the reduced pension. A redetermination of shares shall be made when the pension of any child terminates. An eligible child is a natural or adopted child of the retired member who is under age twenty-five years. A declared eligible child is an eligible child whose name has been declared in writing and filed with the association by the retired member at the time of election of form of payment D. The amount of pension shall be changed to the amount of pension that would have been payable had the retired member elected form of payment A upon there ceasing to be a declared eligible child during the lifetime of the retired member.

E. If all pension payments permanently terminate before there is paid an aggregate amount equal to the retired member's accumulated member contributions at the time of retirement, the difference between the amount of accumulated member contributions and the aggregate amount of pension paid shall be paid to the retired member's refund beneficiary. If no refund beneficiary survives the retired member, the difference shall be paid to the estate of the retired member.

**History:** 1978 Comp., § 10-12C-13.2, enacted by Laws 2014, ch. 39, § 12; 2014, ch. 43, § 12; 2023, ch. 156, § 15.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; in Subsection B, after "reduced pension until death", added "or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust", after "the designated survivor beneficiary", added "or the beneficiary of a supplemental needs trust", and after "predeceases the retired member", added "or if the supplemental needs trust terminates while the retired member is living"; and in Subsection C, after "reduced pension until death", added "or in the event that a supplemental needs trust is the designated survivor beneficiary, the termination of that trust or the death of the beneficiary of that trust", after "the designated survivor beneficiary", added "or the beneficiary of a supplemental needs trust", and after "predeceases the retired member", added "or if the supplemental needs trust terminates while the retired member is living".

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-13.3. Death before retirement; survivor pension.**

For a member whose initial term in office begins on or after July 1, 2014:

A. a survivor pension may be paid to certain persons related to or designated by a member who dies before normal or disability retirement if a written application for the pension, in the form prescribed by the association, is filed with the association by the potential survivor beneficiary or beneficiaries within one year of the death of the member. Applications may be filed on behalf of the potential survivor beneficiary or beneficiaries or by a person legally authorized to represent them;

B. if there is no designated survivor beneficiary and the board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office, a survivor pension shall be payable to the eligible surviving spouse. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated pursuant to the Magistrate Retirement Act and applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the deceased member at the time of death; or

(2) fifty percent of the deceased member's final average salary;

C. a survivor pension shall also be payable to eligible surviving children if there is no designated survivor beneficiary and the board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office. The total amount of survivor pension payable for all eligible surviving children shall be either:

(1) fifty percent of the deceased member's final average salary if an eligible surviving spouse is not paid a pension; or

(2) twenty-five percent of the deceased member's final average salary if an eligible surviving spouse is paid a pension.

The total amount of survivor pension shall be divided equally among all eligible surviving children. If there is only one eligible child, the amount of pension shall be twenty-five percent of the deceased member's final average salary;

D. if the member had the applicable minimum number of years of service credit required for normal retirement but the board did not find the death to have been the

natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office and there is no designated survivor beneficiary, a survivor pension shall be payable to the eligible surviving spouse. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the total amount of actual service credit attributable to the deceased member at the time of death; or

(2) thirty percent of the deceased member's final average salary;

E. if the member had the applicable minimum number of years of service credit required for normal retirement but the board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office and there is no designated survivor beneficiary, and if there is no eligible surviving spouse at the time of death, a survivor pension shall be payable to and divided equally among all eligible surviving children, if any. The total amount of survivor pension payable for all eligible surviving children shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B with the oldest eligible surviving child as the survivor beneficiary using the total amount of actual service credit attributable to the deceased member at the time of death; or

(2) thirty percent of the deceased member's final average salary;

F. an eligible surviving spouse is the spouse to whom the deceased member was married at the time of death. An eligible surviving child is a child under the age of eighteen years and who is an unmarried, natural or adopted child of the deceased member;

G. an eligible surviving spouse's pension shall terminate upon death. An eligible surviving child's pension shall terminate upon death or marriage or reaching age eighteen years, whichever comes first;

H. if there is no designated survivor beneficiary and there is no eligible surviving child, the eligible surviving spouse may elect to be refunded the deceased member's accumulated member contributions instead of receiving a survivor pension;

I. a member may designate a survivor beneficiary to receive a pre-retirement survivor pension, subject to the following conditions:

(1) a written designation, in the form prescribed by the association, is filed by the member with the association;

(2) if the member is married at the time of designation, the designation shall only be made with the consent of the member's spouse, in the form prescribed by the association;

(3) if the member is married subsequent to the time of designation, any prior designations shall automatically be revoked upon the date of the marriage;

(4) if the member is divorced subsequent to the time of designation, any prior designation of the former spouse or a supplemental needs trust to which the spouse is a beneficiary as survivor beneficiary shall automatically be revoked upon the date of divorce; and

(5) a designation of survivor beneficiary may be changed, with the member's spouse's consent if the member is married, by the member at any time prior to the member's death;

J. if there is a designated survivor beneficiary and the board finds the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office, a survivor pension shall be payable to the designated survivor beneficiary. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the member at the time of death; or

(2) fifty percent of the deceased member's final average salary;

K. if there is a designated survivor beneficiary, if the member had the applicable minimum number of years of service credit required for normal retirement and if the board did not find the death to have been the natural and proximate result of causes arising solely and exclusively out of and in the course of the member's performance of duty while in office, a survivor pension shall be payable to the designated survivor beneficiary. The amount of the survivor pension shall be the greater of:

(1) the amount as calculated under the coverage plan applicable to the deceased member at the time of death as though the deceased member had retired the day preceding death under form of payment B using the actual amount of service credit attributable to the member at the time of death; or

(2) thirty percent of the deceased member's final average salary;

L. if all pension payments permanently terminate before there is paid an aggregate amount equal to the deceased member's accumulated member contributions at time of death, the difference between the amount of accumulated member contributions and the aggregate amount of pension paid shall be paid to the deceased member's refund beneficiary. If no refund beneficiary survives the survivor beneficiary, the difference shall be paid to the estate of the deceased member; and

M. for purposes of this section, "service credit" means only the service credit earned by a member during periods in office as a magistrate.

**History:** 1978 Comp., § 10-12C-13.3, enacted by Laws 2014, ch. 39, § 13; 2014, ch. 43, § 13; 2023, ch. 156, § 16.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, allowed a supplemental needs trust to be named as a survivor or refund beneficiary; and in Paragraph I(4), after "designation of the former spouse", added "or a supplemental needs trust to which the spouse is a beneficiary".

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-14. Cost-of-living adjustment.**

A qualified pension recipient is eligible for a cost-of-living adjustment payable pursuant to the provisions of the Magistrate Retirement Act as follows:

A. beginning July 1, 2014 and continuing through June 30, 2016, there shall not be a cost-of-living adjustment applied to a pension payable pursuant to the Magistrate Retirement Act; and

B. beginning on May 1, 2016 and no later than each May 1 thereafter:

(1) the board shall certify to the association the actuarial funded ratio of the fund as of June 30 of the preceding calendar year;

(2) if, pursuant to Paragraph (1) of this subsection, the certified funded ratio is greater than or equal to one hundred percent, the board shall next certify the projected funded ratio of the fund on July 1 of the next succeeding calendar year if, effective July 1 of the current calendar year, a cost-of-living increase of two percent is applied to all payable pensions; and

(3) on each July 1 following the board's certification of the funded ratio, the cost-of-living adjustment, if any, applied to a pension payable pursuant to the Magistrate Retirement Act shall be determined as follows:

(a) if, pursuant to Paragraph (1) of this subsection, the funded ratio of the fund is greater than or equal to one hundred percent, and if, pursuant to Paragraph (2) of this subsection, the projected funded ratio is greater than or equal to one hundred percent, the amount of pension payable beginning July 1 of the next fiscal year shall be increased two percent. The amount of the increase shall be determined by multiplying the amount of the pension inclusive of all prior adjustments by two percent; and

(b) if the funded ratio of the fund, as certified pursuant to Paragraph (1) or (2) of this subsection, is less than one hundred percent, the amount of pension payable shall not include a cost-of-living increase; provided, however, that, if, pursuant to the provisions of this subparagraph, the cost-of-living adjustment is suspended for the two consecutive fiscal years immediately prior to the most recent certification by the board of the funded ratio: 1) the amount of pension payable in the fiscal year immediately following the two-year suspension shall be increased two percent regardless of the certified funded ratio; and 2) thereafter, if, pursuant to the provisions of Paragraph (1) of this subsection, the certified funded ratio is less than one hundred percent, the provisions of this subsection shall apply without exception in the next succeeding fiscal year.

**History:** Laws 1992, ch. 118, § 14; 2014, ch. 39, § 14; 2014, ch. 43, § 14.

### **ANNOTATIONS**

**The 2014 amendment**, effective July 1, 2014, provided for a temporary suspension and delay of the cost-of-living adjustment; provided for an annual determination of the cost-of-living adjustment; in the introductory paragraph, after "A", deleted "yearly" and added "qualified pension recipient is eligible for a", after "cost-of-living adjustment", deleted "shall be made to each pension", and after "Retirement Act", deleted "as provided in the Public Employees Retirement Act" and added "as follows"; and added Subsections A and B.

Laws 2014, ch. 39, § 14 and Laws 2014, ch. 43, § 14, both effective July 1, 2014, enacted identical amendments to this section. The section was set out as amended by Laws 2014, ch. 43, § 14. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

**10-12C-14.1. Qualified pension recipient; cost-of-living adjustment wait period; declining increase.**



A. Pursuant to the Magistrate Retirement Act, a qualified pension recipient is a:

(1) normal retired member who retires:

(a) on or before June 30, 2014 and has been retired for at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(b) between July 1, 2014 and June 30, 2015 and has been retired for at least three full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(c) between July 1, 2015 and June 30, 2016 and has been retired for at least four full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted; or

(d) on or after July 1, 2016 and has been retired for at least seven full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(2) normal retired member who is at least sixty-five years of age and has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(3) disability retired member who has been retired for at least one full calendar year from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted;

(4) survivor beneficiary who has received a survivor pension for at least two full calendar years; or

(5) survivor beneficiary of a deceased retired member who otherwise would have been retired at least two full calendar years from the effective date of the latest retirement prior to July 1 of the year in which the pension is being adjusted.

B. A qualified pension recipient may decline an increase in a pension by giving the association written notice of the decision to decline the increase at least thirty days prior to the date the increase would take effect.

**History:** 1978 Comp., § 10-12C-14.1, enacted by Laws 2014, ch. 39, § 15 and Laws 2014, ch. 43, § 15.

## ANNOTATIONS

**Duplicate laws.** — Laws 2014, ch. 39, § 15 and Laws 2014, ch. 43, § 15, both effective July 1, 2014, enacted identical new sections. The section was set out as enacted by Laws 2014, ch. 43, § 15. See 12-1-8 NMSA 1978.

**Severability.** — Laws 2014, ch. 43, § 16 provided that if any part or application of Laws 2014, ch. 43 is held invalid, the remainder or its application to other situations or persons shall not be affected.

### **10-12C-15. Group insurance; continuation.**

If the provisions of the Retiree Health Care Act [10-7C-1 to 10-7C-16 NMSA 1978] do not apply to a retired member, that retired member may continue to be insured under the provisions of any state group insurance plan in effect at the time of retirement or under the terms of any separate subsequent state group insurance plan, if the retired member pays the entire periodic premium charges for such insurance and consents to have the periodic premium charges deducted from the retired member's pension.

**History:** Laws 1992, ch. 118, § 15.

### **10-12C-16. Suspension or forfeiture of benefits.**

A. If a member retires and is subsequently employed by any employer covered by any state system or the educational retirement system, the retired member's pension shall be suspended effective the first day of the month following the month in which the subsequent employment begins. The suspended pension of a previously retired member shall resume and be effective the first day of the month following the month in which the member leaves office or terminates the subsequent employment.

B. The right to receive a pension pursuant to the provisions of the Magistrate Retirement Act shall be forfeited if the member is removed from office pursuant to the provisions of Article 6, Section 32 of the constitution of New Mexico and the member's only entitlement from the fund shall be the refund of the member's own contributions.

C. The provisions of Subsection A of this section shall not apply to a retired member who is elected to serve a term as an elected official if the retired member files an irrevocable exemption from membership in any state system with the association within thirty days of taking office. Filing of an irrevocable exemption shall irrevocably bar the retired member from acquiring service credit for the period of exemption from the membership.

**History:** Laws 1992, ch. 118, § 16; 2001, ch. 104, § 1.

### **ANNOTATIONS**

**The 2001 amendment**, effective June 15, 2001, added Subsection C to the section.

## **10-12C-17. Adjustment of pension.**

A. If payment of a pension or other retirement benefit causes a decrease in the amount of monetary payments or other needs-based benefits due to a payee from any other governmental agency, the pension or other retirement benefit shall be reduced for the period during which the pension or other retirement benefit prevents payment of another needs-based benefit to result in payment of the maximum amount possible by the association and the other governmental agency to the payee. Any amounts that would otherwise be paid out that are not paid in accordance with the provisions of this section shall not be recoverable by a payee at any later date.

B. If there is a change in the effect of a pension or other retirement benefit on any monetary payments or other needs-based benefits due to a payee from any other governmental agency, the pension or other retirement benefits shall be adjusted to result in the maximum total benefit to the payee. In no event shall any pension be increased in an amount greater than that authorized by the Magistrate Retirement Act.

C. The provisions of this section are mandatory and shall not be waived or declined by a payee. Each payee shall provide the association with all information necessary for the association to carry out the requirements imposed by this section.

D. If the payee fails to provide all the facts necessary to comply with the requirements imposed by this section, and payment of a pension or other retirement benefit is made without making the adjustment required by this section, neither the board, the executive director nor any officer or employee of the association or the board shall be liable to any third party because the adjustment was not made as required.

E. As used in this section:

(1) "pension" means a normal retirement, survivor or disability retirement pension payable to a retired member or survivor beneficiary pursuant to the Magistrate Retirement Act;

(2) "governmental agency" means the federal government, any department or agency of the federal government, any state and any department, agency or political subdivision of a state;

(3) "total benefits" means pensions plus any other monetary payments or other needs-based benefits due to the payee from any governmental agency;

(4) "needs-based benefit" means monetary or other benefits for which a determination of eligibility is based upon the recipient's level of income and resources; and

(5) "payee" means a retired member or the refund beneficiary or survivor beneficiary of a retired member.

**History:** Laws 1995, ch. 115, § 9; 1997, ch. 189, § 16.

#### **ANNOTATIONS**

**The 1997 amendment**, effective June 20, 1997, in Subsection D, deleted "retirement" preceding "board" in two places and substituted "director" for "secretary".

#### **10-12C-18. Correction of errors and omissions; estoppel.**

A. If an error or omission results in an overpayment to a member or beneficiary of a member, the association shall correct the error or omission and adjust all future payments accordingly. The association shall recover all overpayments made for a period of up to one year prior to the date the error or omission was discovered.

B. A person who is paid more than the amount that is lawfully due him as a result of fraudulent information provided by the member or beneficiary shall be liable for the repayment of that amount to the association plus interest on that amount at the rate set by the board plus all costs of collection, including attorney fees if necessary. Recovery of such overpayment shall extend back to the date the first payment was made based on the fraudulent information.

C. Statements of fact or law made by board members or employees of the board or the association shall not estop the board or the association from acting in accordance with the applicable statutes.

**History:** Laws 1995, ch. 115, § 10; 1997, ch. 189, § 17.

#### **ANNOTATIONS**

**The 1997 amendment**, effective June 1997, in Subsection A, in the first sentence, deleted "in an application or its supporting documents" preceding "results" and made a stylistic change and made a stylistic change in Subsection B.

## **ARTICLE 13**

### **Retirement Reciprocity (Repealed.)**

#### **10-13-1 to 10-13-5. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 279, § 4 repealed 10-13-1 through 10-13-5 NMSA 1978, as enacted or amended by Laws 1963, ch. 275, §§ 1, 2, and 5, Laws 1973, ch. 352, § 1, and Laws 1977, ch. 331, § 1, concerning retirement reciprocity, effective July 1, 1993. For provisions of former sections, see the 1992 NMSA 1978 on *NMOneSource.com*.

For the Public Employees Retirement Reciprocity Act, see Chapter 10, Article 13A NMSA 1978.

## **10-13-6 to 10-13-9. Repealed.**

### **ANNOTATIONS**

**Repeals.** — Laws 1992, ch. 116, § 17 repealed 10-13-6 to 10-13-9 NMSA 1978, as enacted by Laws 1983, ch. 138, §§ 1 to 4; relating to judicial retirement reciprocity, effective July 1, 1992. For provisions of former sections, see the 1991 NMSA 1978 on *NMOneSource.com*. For present comparable provisions, see 10-13A-1 NMSA 1978 et seq.

## **ARTICLE 13A**

### **Public Employees Retirement Reciprocity**

#### **10-13A-1. Short title.**

Chapter 10, Article 13A NMSA 1978 may be cited as the "Public Employees Retirement Reciprocity Act".

**History:** 1978 Comp., § 10-13A-1, enacted by Laws 1992, ch. 116, § 13.

### **ANNOTATIONS**

**Purpose of act.** — The [Public Employees] Retirement Reciprocity Act was enacted to extend to public employees the benefit of increased retirement credit irrespective of the particular state retirement system the individual may have been employed under, and to permit an individual to receive greater retirement advantages than would otherwise be possible under either of the single state retirement systems. 1964 Op. Att'y Gen. No. 64-118.

**To be liberally construed.** — The [Public Employees] Retirement Reciprocity Act (former Sections 10-13-1 to 10-13-5 NMSA 1978) was remedial in nature and was to be liberally interpreted in order to best carry out the announced purposes of the act. 1964 Op. Att'y Gen. No. 64-118.

**Where credit extended.** — The [Public Employees] Retirement Reciprocity Act (former Sections 10-13-1 to 10-13-5 NMSA 1978) was adopted to extend reciprocal retirement credit to individuals who have been employed under both the state public educational system and state public employment. 1964 Op. Att'y Gen. No. 64-118.

#### **10-13A-2. Definitions.**

As used in the Public Employees Retirement Reciprocity Act:

- A. "association" means the public employees retirement association of New Mexico;
- B. "board" means the retirement board provided for in the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978] or the educational retirement board;
- C. "educational retirement system" means that retirement system provided for in the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978];
- D. "eligible reciprocal service credit" means a minimum of one month of service credit under any state system as calculated according to the retirement act applicable to the member;
- E. "former member" means a person who was previously employed by an employer covered by a state system, who has terminated that employment and who has received a refund of member contributions;
- F. "judicial retirement system" means that retirement system provided for in the Judicial Retirement Act [Chapter 10, Article 12B NMSA 1978];
- G. "magistrate retirement system" means that retirement system provided for in the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978];
- H. "member" means:
- (1) a currently employed, contributing employee of an employer covered by a state system; or
  - (2) a person who has been but is not currently employed by an employer covered by a state system, who has not retired and who has not received a refund of member contributions from the state system under which he was covered;
- I. "member contributions" means the amounts deducted from the salary of a member and credited to the member's individual account in a state system, together with interest, if any, credited to that account;
- J. "pension" means a series of monthly payments to a retired member or survivor beneficiary as defined and provided in the Educational Retirement Act, the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act;
- K. "public employees retirement system" means that retirement system provided for in the Public Employees Retirement Act;
- L. "retire" means to:

(1) terminate employment with all employers covered by any state system;  
and

(2) receive a pension benefit from one state system;

M. "salary" means the member's salary as defined under the applicable retirement act; and

N. "state system" means a retirement program provided for in the Educational Retirement Act, the Public Employees Retirement Act, the Magistrate Retirement Act or the Judicial Retirement Act.

**History:** 1978 Comp., § 10-13A-2, enacted by Laws 1992, ch. 116, § 14; 1993, ch. 279, § 1.

#### **ANNOTATIONS**

**The 1993 amendment**, effective July 1, 1993, added Subsection K, redesignating Subsections K through M as Subsections L through N; rewrote Subsections B and D and Subsection M; inserted "who has" in Subsection E; and inserted "Educational Retirement Act, the" in Subsection J and Subsection N.

#### **10-13A-3. Service credit; forfeiture; reinstatement.**

Forfeited service credit under any state system shall be reinstated according to the provisions of the retirement act applicable to that state system before that service credit may be considered eligible reciprocal service credit.

**History:** 1978 Comp., § 10-13A-3, enacted by Laws 1992, ch. 116, § 15; 1993, ch. 279, § 2.

#### **ANNOTATIONS**

**The 1993 amendment**, effective July 1, 1993, deleted the provisions of Subsection A, which provided a procedure for reinstatement of forfeited service credit; deleted the Subsection B designation from the beginning of the section; and substituted "shall be reinstated according to the provisions of the retirement act applicable to that state system" for "must be reinstated".

#### **10-13A-4. Normal retirement; pension benefit.**

If a member has one month or more of eligible reciprocal service credit under each of two or more state systems, the following provisions shall apply, together with the applicable provisions of the Public Employees Retirement Reciprocity Act, the Educational Retirement Act [Chapter 22, Article 11 NMSA 1978], the Public Employees Retirement Act [Chapter 10, Article 11 NMSA 1978], the Judicial Retirement Act

[Chapter 10, Article 12B NMSA 1978], the Magistrate Retirement Act [Chapter 10, Article 12C NMSA 1978] and the rules and regulations for those acts promulgated by the board:

A. a member's total eligible reciprocal service credit under all state systems shall be used in satisfying the service credit requirements for normal retirement under the state system from which the member retires;

B. when a member with eligible reciprocal service credit retires, the member shall receive a pension that is equal to the sum of the pensions attributable to the service credit the member has accrued under each state system, subject to the following restrictions:

(1) the salary used in calculating each component of the pension shall be the salary, average annual salary or final average salary, as those terms are defined under the applicable act, earned while the member was covered under the state system calculating that component as follows:

(a) the member's entire salary history under the public employees retirement system and the educational retirement system shall be used to determine the final average salary and annual average salary under each state system if the member has eligible reciprocal service credit under both state systems;

(b) the member's entire salary history under the educational retirement system and the judicial retirement system or the magistrate retirement system, or both, shall be used to determine the average annual salary under the Educational Retirement Act if the member has eligible reciprocal service credit under those state systems but has less than five years of service credit under the educational retirement system;

(c) the member's salary history under the educational retirement system shall be used to determine the average annual salary under that system if the member has eligible reciprocal service credit under the Educational Retirement Act and the Judicial Retirement Act or the Magistrate Retirement Act, or both, and has five or more years of service credit under the educational retirement system; or

(d) if a member has less than twelve months of credited service under the judicial retirement system or the magistrate retirement system, the final year's salary shall be the aggregate amount of salary paid to the member for the period of credited service divided by the member's credited service times twelve;

(2) the member shall meet the age and service credit requirements for retirement under each applicable state system before the component of the pension attributable to service credit accrued under that state system may be paid; provided that the member's total eligible reciprocal service credit under all state systems shall be used in satisfying the service credit requirement for normal retirement under each state system;



(3) the member shall terminate employment under all state systems before the member may receive a pension from any state system; and

(4) the member shall file an application for retirement under the state system under which the member was last employed, in accordance with the requirements of that state system;

C. subject to the restrictions contained in this section, the component of the pension attributable to each state system shall be calculated based upon:

(1) the member's eligible reciprocal service credit acquired as a member of that state system; and

(2) the pension calculation formula applicable to the member under that state system;

D. the following limitations shall apply to pensions calculated under the Public Employees Retirement Reciprocity Act:

(1) in no case shall the total amount of the pension, calculated under the Public Employees Retirement Reciprocity Act and received by a member attributable to all state systems, exceed the amount allowable under Section 415 of the Internal Revenue Code; and

(2) where the member has less than five years of service credit in one state system, the pension from that state system shall not exceed six hundred twenty-five thousandths percent per month of service under that state system multiplied by the following amount applicable under that state system:

(a) one-twelfth of the member's magistrate salary received during the last year in office;

(b) one-twelfth of the member's judicial salary received during the last year in office; or

(c) the member's final average salary as defined pursuant to the Public Employees Retirement Act;

E. for members who retire prior to July 1, 2017, the state system from which a member with earned eligible reciprocal service credit retires shall be the payor fund for the pension; provided that:

(1) each state system shall reimburse the payor fund the amount of the component of the pension attributable to service credit accrued under that state system; and

(2) reimbursements shall be made in the manner and frequency determined by the boards;

F. for members who retire on or after July 1, 2017, each state system from which a member earned eligible reciprocal service credit shall pay the amount of the component of the pension attributable to service credit accrued under that state system;

G. in no case shall any member retire from more than one state system; and

H. if a member retires from any state system with eligible reciprocal service credit and is subsequently employed by any employer covered by a state system, the retired member's eligibility to continue to receive pension payments shall be governed by the retirement act governing the state system from which the member retired. Subsequent membership in the retirement program under which the subsequent employee is covered shall be governed by that retirement act.

**History:** 1978 Comp., § 10-13A-4, enacted by Laws 1992, ch. 116, § 16; 1993, ch. 279, § 3; 2017, ch. 25, § 1.

## ANNOTATIONS

**Cross references.** — For Section 415 of the Internal Revenue Code, see 26 U.S.C. § 415.

**The 2017 amendment,** effective July 1, 2017, required that each state retirement system from which a member has earned eligible reciprocal service credit pay its portion of a retirement benefit for members who retire on or after July 1, 2017; in Paragraph B(2), after "provided", added "that"; in Subsection E, added "for members who retire prior to July 1, 2017", and after "a member with", added "earned"; and added a new Subsection F and redesignated the succeeding subsections accordingly.

**The 1993 amendment,** effective July 1, 1993, substituted "month" for "year" and inserted "the Educational Retirement Act" in the introductory language; substituted "for" for "from" in Subsection A; inserted "average annual salary" in the introductory language of Paragraph (1) of Subsection B; added the language beginning "as follows", including Subparagraphs (a) through (d), to the end of Paragraph (1) of Subsection B; rewrote Paragraph (1) of Subsection D; substituted "six hundred twenty-five one thousandths percent per month" for "seven and one-half percent per year" in Paragraph (2) of Subsection D; substituted "boards" for "board" in Paragraph (2) of Subsection E; and rewrote Subsection G.

### **10-13A-5. Condition for separate payment of pension component.**

Notwithstanding the provisions of Subsection E of Section 10-13A-4 NMSA 1978 to the contrary, a member who retires prior to July 1, 2017 shall be paid pursuant to Subsection E of Section 10-13A-4 NMSA 1978 until the executive director of the public

employees retirement association and the executive director of the educational retirement board have certified to each other that the association or the board, respectively, has in place the appropriate accounting and financial structures and information technology for each state retirement system from which a member earned eligible reciprocal service credit to separately pay the amount of the component of the pension attributable to service credit accrued under that state system, at which time each state retirement system shall separately pay a member who retires prior to July 1, 2017 pursuant to Subsection F of Section 10-13A-4 NMSA 1978.

**History:** Laws 2017, ch. 25, § 2.

### **ANNOTATIONS**

**Effective dates.** — Laws 2017, ch. 25, § 3 made Laws 2017, ch. 25, § 2 effective July 1, 2017.

## **ARTICLE 14**

### **Social Security Coverage**

#### **10-14-1. Declaration of policy.**

In order to extend to employees of the state and its political subdivisions and to the dependents and survivors of such employees, the basic protection accorded to others by the old-age and survivors' insurance system embodied in the Social Security Act, it is hereby declared to be the policy of the legislature, subject to the limitations of this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978], that such steps be taken as to provide such protection to employees of the state and its political subdivisions on as broad a basis as is permitted under the Social Security Act. It is also the policy of the legislature that the protection afforded employees in positions covered by a retirement system on the date an agreement under this act is made applicable to service performed in such positions, or receiving periodic benefits under such retirement system at such time, will not be impaired as a result of making the agreement so applicable or as a result of legislative enactment in anticipation thereof.

**History:** 1953 Comp., § 5-7-1, enacted by Laws 1955, ch. 172, § 1.

### **ANNOTATIONS**

**Cross references.** — For the federal Social Security Act, see 42 U.S.C. § 301 et seq.

**Legislative effect.** — What in effect the legislature did by the passage of Laws 1955, ch. 172, was make an offer to all state employees covered by state retirement system that if they elected to come within the provisions of social security, the state would provide for the share required by the Social Security Act from the employer. 1957 Op. Att'y Gen. No. 57-61.

**Effect of section on school for visually handicapped.** — The New Mexico school for the visually handicapped is not legally separate and distinct; it is in fact a state educational institution. Most of its funds come from either state school lands or from appropriations from the legislature. This institution is actually a part of the state. Inasmuch as the school for the visually handicapped is not a political subdivision, it cannot be considered a separate retirement system for the purposes of holding a referendum relative to the coverage under the old-age and survivors insurance program. 1956 Op. Att'y Gen. No. 56-6411.

**Eligibility.** — Under the social security laws, both state and federal, all members of the retirement system become eligible for social security upon a favorable vote of the referendum posing the questions of joining the social security system. 1956 Op. Att'y Gen. No. 56-6416.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 32 et seq.

## **10-14-2. Definitions.**

For the purposes of Sections 10-14-1 through 10-14-10 NMSA 1978:

A. the term "wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act would not constitute "wages" within the meaning of that act;

B. the term "employment" means any service performed by an employee in the employ of the state, or any political subdivision thereof, for such employer, except (1) service which in the absence of an agreement entered into under this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978] would constitute "employment" as defined in the Social Security Act; or (2) service which under the Social Security Act may not be included in an agreement between the state and the secretary of health, education and welfare entered into under this act. Service which under the Social Security Act may be included in an agreement only upon certification by the governor or an officer of the state designated by the governor, in accordance with Section 218(d)(3) of that act shall be included in the term "employment" if and when the governor, or an officer of the state designated by the governor, issues, with respect to such service, a certificate to the secretary of health, education and welfare pursuant to Section 9(b) [10-14-10B NMSA 1978] of this act, provided, however, that an agreement may exclude (1) any service of an emergency nature; (2) services performed in the employ of a school, college or university by a student who is enrolled and regularly attending classes at such school, college or university; (3) all services in any class or classes of (a) elective positions; (b) part-time positions, or (c) positions the compensation for which is on a fee basis, performed by an employee of the state or an employee of a subdivision of the state, if

so provided in a plan submitted by said subdivision under Section 5 [10-14-6 NMSA 1978] of this act;

C. the term "employee" includes an officer of a state or political subdivision thereof;

D. the term "state agency" means the agency of the state of New Mexico designated by the governor for the administration of this act;

E. the term "secretary of health, education and welfare" includes any individual to whom the secretary of health, education and welfare has delegated any functions under the Social Security Act with respect to coverage under such act of employees of states and their political subdivisions, and with respect to any action taken prior to April 11, 1953, includes the federal security administrator and any individual to whom such administrator had delegated any such function;

F. the term "political subdivision" includes an instrumentality of the state or one or more of its political subdivisions, or of the state and one or more of its political subdivisions, but only if such instrumentality is a juristic entity which is legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the state or subdivision;

G. the term "Social Security Act" means the act of congress approved August 14, 1935, Chapter 531, 49 Stat. 620, officially cited as the "Social Security Act," (including regulations and requirements issued pursuant thereto), as such act has been and may from time to time be amended; and

H. the term "Federal Insurance Contributions Act" means Subchapter A of Chapter 9 of the federal Internal Revenue Code of 1939 and Subchapters A and B of Chapter 21 of the federal Internal Revenue Code of 1954, as such codes have been and may from time to time be amended; and the term "employee tax" means the tax imposed by Section 1400 of such code of 1939 and Section 3101 of such code of 1954, as it has been and may from time to time be amended.

**History:** 1953 Comp., § 5-7-2, enacted by Laws 1955, ch. 172, § 2; 1973, ch. 329, § 1.

## ANNOTATIONS

**Compiler's notes.** — Section 1400 of the Internal Revenue Code of 1939, referred to in Subsection H, has been repealed and superseded by § 3101 of the Internal Revenue Code of 1986, also referred to in Subsection H, compiled as 26 U.S.C. § 3101.

**Cross references.** — For the Federal Insurance Contributions Act, see 26 U.S.C. §§ 3101 to 3128.

For the federal Social Security Act, see 42 U.S.C. § 301 et seq. For Section 218(d)(3) of the act, see 42 U.S.C. § 418(d)(3).

**Effect of section on sick leave payments.** — Where the university of New Mexico did not make a social security contribution with respect to sick leave payments on the grounds that such payments were excluded from wages, the social security administration was justified in assessing \$28.60 in respect to those payments and holding that they were not excluded from wages. *New Mexico v. Weinberger*, 517 F.2d 989 (10th Cir. 1975), cert. denied, 423 U.S. 1051, 96 S. Ct. 779, 46 L. Ed. 2d 640 (1976).

**Exclusion construed differently.** — In assessing contributions to be paid in by private employers the commissioner of internal revenue has construed the sick pay exclusion from wages differently than has the secretary of health, education and welfare in assessing public employers. *N.M. v. Weinberger*, 517 F.2d 989 (10th Cir. 1975), cert. denied, 423 U.S. 1051, 96 S. Ct. 779, 46 L. Ed. 2d 640 (1976).

**Sick leave payments are wages.** — Payments made to employees of the University of New Mexico during period of sickness are considered wages and therefore reportable for social security purposes. 1971 Op. Att'y Gen. No. 71-21.

**Hospitals not political subdivisions.** — Hospitals created jointly by counties and municipalities are not independent political subdivisions, but are an intricate part of the county and the municipality creating the same, and therefore they can come under the social security system only as the county and the municipality of which they are part come within the provisions of the Social Security Act. 1956 Op. Att'y Gen. No. 56-6437.

**Mayordomo officer of political subdivision.** — The mayordomo of a community ditch association is considered an officer of a political subdivision of the state for social security coverage purposes. 1970 Op. Att'y Gen. No. 70-46.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare § 28.

### **10-14-3. Federal-state agreement.**

A. The state agency, with the approval of the governor, is hereby authorized to enter on behalf of the state into an agreement with the secretary of health, education and welfare, consistent with the terms and provisions of this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978], for the purpose of extending the benefits of the federal old-age and survivors' insurance system to employees of the state or any political subdivision thereof with respect to services specified in such agreement which constitute "employment" as defined in Section 2 [10-14-2 NMSA 1978] of this act. Such agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration and other appropriate provisions as the state agency and secretary of health, education and welfare shall agree upon, but, except as may be otherwise required by or under the Social Security Act as to the services to be covered, such agreement shall provide in effect that:

(1) benefits will be provided for employees whose services are covered by the agreement (and their dependents and survivors) on the same basis as though such services constituted employment within the meaning of Title II of the Social Security Act;

(2) the state will pay to the secretary of the treasury, at such time or times as may be prescribed under the Social Security Act, contributions with respect to wages (as defined in Section 2 of this act), equal to the sum of the taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by the agreement constituted employment within the meaning of that act;

(3) such agreement shall be effective with respect to services in employment covered by the agreement performed after a date specified therein in accordance with the Social Security Act;

(4) all services which constitute employment as defined in Section 2 and are performed in the employ of the state by employees of the state, shall be covered by the agreement;

(5) all services which (a) constitute employment as defined in Section 2, (b) are performed in the employ of a political subdivision of the state, and (c) are covered by a plan which is in conformity with the terms of the agreement and has been approved by the state agency under Section 5 [10-14-6 NMSA 1978], shall be covered by the agreement;

(6) as modified, the agreement shall include all services described in either Paragraph (4) or Paragraph (5) of this subsection and performed by individuals to whom Section 218(c)(3)(C) of the Social Security Act is applicable, and shall provide that the service of any such individual shall continue to be covered by the agreement in case he thereafter becomes eligible to be a member of a retirement system; and

(7) as modified, the agreement shall include all services described in either Paragraph (4) or Paragraph (5) of this subsection and performed by individuals in positions covered by a retirement system with respect to which the governor, or an officer of the state designated by the governor, has issued a certificate to the secretary of health, education and welfare pursuant to Section 9(b) [10-14-10B NMSA 1978] of this act.

B. Any instrumentality jointly created by this state and any other state or states is hereby authorized, upon the granting of like authority by such other state or states, (1) to enter into an agreement with the secretary of health, education and welfare whereby the benefits of the federal old-age and survivors' insurance system shall be extended to employees of such instrumentality, (2) to require its employees to pay (and for that purpose to deduct from their wages) contributions equal to the amounts which they would be required to pay under Section 4(a) [10-14-5A NMSA 1978] if they were covered by an agreement made pursuant to Subsection A of this section; and (3) to make payments to the secretary of the treasury in accordance with such agreement,

including payments from its own funds, and otherwise to comply with such agreements. Such agreements, shall, to the extent practicable, be consistent with the terms and provisions of Subsection A and other provisions of this act.

C. Pursuant to Section 218(d)(6)(B) of the Social Security Act, the retirement system covering the employees who are eligible to acquire or who have acquired retirement and emeritus status under Section 1 of Chapter 112, Laws of 1937, as amended, shall be deemed to constitute a separate system for the employees of each institution of higher learning covered thereunder.

**History:** 1953 Comp., § 5-7-3, enacted by Laws 1955, ch. 172, § 3; 1973, ch. 329, § 2.

### ANNOTATIONS

**Compiler's notes.** — Laws 1957, ch. 197, § 60 repealed Laws 1937, ch. 112, § 1, which was compiled as 73-12-16, 1953 Comp., and which is referred to in Subsection C.

**Cross references.** — For the federal Social Security Act, see 42 U.S.C. § 301 et seq.

For Title II of the federal Social Security Act, see 42 U.S.C. § 401 et seq.

For Section 218 of the federal Social Security Act, see 42 U.S.C. § 418.

For the Federal Insurance Contributions Act, see 26 U.S.C. §§ 3101 to 3128.

**Constitutionality of payments.** — Social security payments under this section were not payments of additional fees or compensation in violation of N.M. Const., art. V, § 12. 1968 Op. Att'y Gen. No. 68-01.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

### 10-14-4. Federal-state agreement; divided retirement systems.

The agreement executed and approved as specified in Section 10-14-3 NMSA 1978 shall provide, in accordance with the Social Security Act, 42 U.S.C. § 301 et seq., for dividing retirement systems, and for extending coverage to individuals in positions covered by divided retirement systems.

**History:** 1953 Comp., § 5-7-3.1, enacted by Laws 1962 (S.S.), ch. 2, § 1.

### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.



## **10-14-5. Contributions by state employees.**

A. Every employee of the state whose services are covered by an agreement entered into under Section 3 [10-14-3 NMSA 1978] shall be required to pay for the period of such coverage, into the contribution fund established by Section 6 [10-14-7 NMSA 1978], contributions, with respect to wages (as defined in Section 2 [10-14-2 NMSA 1978]) of this act, equal to the amount of the employee tax which would be imposed by the Federal Insurance Contributions Act, if such services constituted employment within the meaning of that act. Such liability shall arise in consideration of the employee's retention in the service of the state, or his entry upon such service, after the enactment of this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978.]

B. The contribution imposed by this section shall be collected by deducting the amount of the contribution from wages as and when paid, but failure to make such deduction shall not relieve the employee from liability for such contribution.

C. If more or less than the correct amount of the contribution imposed by this section is paid or reduced [deducted] with respect to any remuneration, proper adjustments, or refund if adjustment is impracticable, shall be made, without interest, in such manner and at such times as the state agency shall prescribe.

**History:** 1953 Comp., § 5-7-4, enacted by Laws 1955, ch. 172, § 4.

### **ANNOTATIONS**

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Cross references.** — For the Federal Insurance Contributions Act, see 26 U.S.C. §§ 3101 to 3128.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

## **10-14-6. Plans for coverage of employees of political subdivisions.**

A. Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending the benefits of Title 2 [II] of the Social Security Act, in conformity with applicable provisions of such act, to employees of such political subdivision. Each such plan and any amendment thereof shall be approved by the state agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(1) it is in conformity with the requirements of the Social Security Act and with the agreement entered into under Section 10-14-3 NMSA 1978;

(2) it provides that all services which constitute employment as defined in Section 10-14-2 NMSA 1978 and are performed in the employ of the political subdivision by employees thereof, shall be covered by the plan, except that it may exclude services performed by individuals to whom Section 218(c)3(C) [Section 218(c)3(C)] of the Social Security Act is applicable;

(3) it specifies the source or sources from which the funds necessary to make the payments required by Paragraph (1) of Subsection C and by Subsection D of this section are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(4) it provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration of the plan;

(5) it provides that the political subdivision will make such reports, in such form and containing such information, as the state agency may from time to time require, and comply with such provisions as the state agency or the secretary of health and human services may from time to time find necessary to assure the correctness and verification of such reports; and

(6) it authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been a failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency, and may be consistent with the provisions of the Social Security Act.

B. The state agency shall not finally refuse to approve a plan submitted by a political subdivision under Subsection A of this section, and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

C. (1) Each political subdivision as to which a plan has been approved under this section shall pay into the contribution fund, with respect to wages, as defined in Section 10-14-2 NMSA 1978, at such time or times as the state agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under Section 10-14-3 NMSA 1978.

(2) Each political subdivision required to make payments under Paragraph (1) of this subsection is authorized, in consideration of the employee's retention in, or entry upon, employment after enactment of Sections 10-14-1 through 10-14-3 and 10-14-5 through 10-14-10 NMSA 1978, to impose upon each of its employees, as to services which are covered by an approved plan, a contribution with respect to his wages, as defined in Section 10-14-2 NMSA 1978, not exceeding the amount of the employee tax which would be imposed by the Federal Insurance Contributions Act if such services

constituted employment within the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of such political subdivision or instrumentality under Paragraph (1) of this subsection. Failure to deduct such contribution shall not relieve the employee or employer of liability therefor.

D. Delinquent payments due under Paragraph (1) of Subsection C of this section with interest charged by the federal government, may be recovered by action in a court of competent jurisdiction against the political subdivision liable therefor or may, at the request of the state agency, be deducted from any other money payable to such subdivision by any department or agency of the state.

**History:** 1953 Comp., § 5-7-5, enacted by Laws 1955, ch. 172, § 5; 1981, ch. 154, § 1.

### ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Cross references.** — For the federal Social Security Act, see 42 U.S.C. § 301 et seq.

For Title II of the Social Security Act, see 42 U.S.C. § 401 et seq.

For Section 218(c)(3)(C) of the Social Security Act, see 42 U.S.C. § 418(c)(3)(C).

For the Federal Insurance Contributions Act, see 26 U.S.C. §§ 3101 to 3128.

**Effect of section.** — Under this section, each political subdivision of the state is authorized and required to submit for approval a plan to extend the benefit of Title II of the Social Security Act in conformity with the applicable provisions of such act to employees of such political subdivision. 1956 Op. Att'y Gen. No. 56-6471.

**Power of state agency.** — The board (now state agency) can require whatever is necessary to show that a budget item has been included so as to insure the payment of the amount due. 1955 Op. Att'y Gen. No. 55-6284.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

### 10-14-7. Contribution fund.

A. There is hereby established a special fund to be known as the "contribution fund." Such fund shall consist of and there shall be deposited in such fund:

(1) all contributions, interest, and penalties collected under Sections 10-14-5 and 10-14-6 NMSA 1978;

(2) all moneys appropriated thereto under this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978];

(3) any property or securities and earnings thereof acquired through the use of moneys belonging to the fund;

(4) interest earned upon any moneys in the fund; and

(5) all sums recovered upon the bond of the custodian or otherwise for losses sustained by the fund and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of this act, the state agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of this act.

B. The contribution fund shall be established and held separate and apart from any other funds or moneys of the state and shall be used and administered exclusively for the purpose of this act. Withdrawals from such fund shall be made for, and solely for:

(1) payments of amounts required to be paid to the secretary of the treasury pursuant to an agreement entered into under Section 10-14-3 NMSA 1978;

(2) payment of refunds provided for in Subsection C of Section 10-14-5 NMSA 1978;

(3) refunds of overpayments, not otherwise adjustable, made by a political subdivision or instrumentality;

(4) expenditures by the state agency for the administration of this act; and

(5) transfers by the state treasurer, upon certification by the director of the social security division, to the state general fund of amounts not necessary to satisfy expenditures required by Paragraphs (1) through (4) of this subsection. Such transfers shall be made by July 30 of each fiscal year.

C. From the contribution fund the custodian of the fund shall pay to the secretary of the treasury such amounts and at such time or times as may be directed by the state agency in accordance with any agreement entered into under Section 10-14-3 NMSA 1978 and the Social Security Act.

D. The state treasurer shall be ex-officio treasurer. The secretary of finance and administration shall be custodian of the contribution fund and shall administer such funds in accordance with the provisions of this act and the directions of the state agency and shall pay all warrants drawn upon it in accordance with the provisions of this section and with such regulations as the state agency may prescribe pursuant thereto.

E. (1) There are hereby authorized to be appropriated annually to the contribution fund, in addition to the contributions collected and paid into the contribution fund under Sections 10-14-5 and 10-14-6 NMSA 1978 to be available for the purposes of Subsections B and C of Section 10-14-7 NMSA 1978 [this section] until expended, such additional sums as are found to be necessary in order to make the payments to the secretary of the treasury which the state is obligated to make pursuant to an agreement entered into under Section 10-14-3 NMSA 1978.

(2) The state agency shall submit to each regular session of the state legislature, at least ninety days in advance of the beginning of such session, an estimate of the amounts authorized to be appropriated to the contribution fund by Paragraph (1) of this subsection for the next appropriation period.

**History:** 1953 Comp., § 5-7-6, enacted by Laws 1955, ch. 172, § 6; 1973, ch. 329, § 3; 1983, ch. 5, § 1; 1983, ch. 301, § 23.

### **ANNOTATIONS**

**Cross references.**— For the federal Social Security Act, see 42 U.S.C. § 301 et seq.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

### **10-14-8. Rules and regulations.**

The state agency shall make and publish such rules and regulations, not inconsistent with the provisions of this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978], as it finds necessary or appropriate to the efficient administration of the functions with which it is charged under this act.

**History:** 1953 Comp., § 5-7-7, enacted by Laws 1955, ch. 172, § 7.

### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

### **10-14-9. Studies and reports.**

The state agency shall make studies concerning the problem of old-age and survivors insurance protection for employees of the state and local governments and their instrumentalities and concerning the operation of agreements made and plans approved under this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978] and shall submit a report to the legislature at the beginning of each regular session, covering the administration and operation of this act during the preceding biennium, including such recommendations for amendments to this act as it considers proper.

**History:** 1953 Comp., § 5-7-8, enacted by Laws 1955, ch. 172, § 8.

### ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

#### **10-14-10. Referenda and certification.**

A. The governor is empowered to authorize a referendum, and to designate any agency or individual to supervise its conduct, in accordance with the requirements of Section 218(d)(3) of the Social Security Act, on the question of whether service in positions covered by a retirement system established by the state or by a political subdivision thereof should be excluded from or included under an agreement under this act [10-14-1 to 10-14-3, 10-14-5 to 10-14-10 NMSA 1978]. The notice of referendum required by Section 218(d)(3)(C) of the Social Security Act to be given to employees shall contain or shall be accompanied by a statement, in such form and such detail as the agency or individual designated to supervise the referendum shall deem necessary and sufficient, to inform the employees of the rights which will accrue to them and their dependents and survivors, and the liabilities to which they will be subject, if their services are included under an agreement under this act.

B. Upon receiving evidence satisfactory to him that with respect to any such referendum the conditions specified in Section 218(d)(3) of the Social Security Act have been met, the governor or an officer of the state designated by the governor, shall so certify to the secretary of health, education and welfare.

**History:** 1953 Comp., § 5-7-9, enacted by Laws 1955, ch. 172, § 9; 1973, ch. 329, § 4.

### ANNOTATIONS

**Cross references.** — For Section 218 of the federal Social Security Act, see 42 U.S.C. § 418.

**Legislative intent.** — The legislature intends, so far as the political subdivisions are concerned, that the initial step for coverage is to be made by the political subdivision by submitting a plan. If the plan is proper, and the political subdivision has its own retirement system or was a part of the state system, the governor is to call for a referendum for such political subdivision. If there happens to be a number of such divisions with proper plans, they can, of course, be grouped together for the purpose of the referendum. No political subdivision would work out a plan for coverage without first determining that the employees were for such plan. 1955 Op. Att'y Gen. No. 55-6333.

**Scope of gubernatorial powers as to referendums.** — The governor can, within the provisions of the Social Security Act, designate what shall constitute a retirement system for the purpose of a referendum. The governor can designate each political

subdivision as a separate retirement system for the purpose of this referendum. 1955 Op. Att'y Gen. No. 55-6333.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 81 C.J.S. Social Security and Public Welfare §§ 28, 38.

### **10-14-11. Social security referendum.**

A referendum for or against participation in the federal old age and survivors insurance embodied in the federal Social Security Act shall be conducted for the employees of a general hospital, or outpatient clinics thereof, operated by a state educational institution named in Article 12, Section 11 of the constitution of New Mexico, if required by federal or state law.

**History:** 1978 Comp., § 10-14-11, enacted by Laws 1978, ch. 167, § 3.

### **ANNOTATIONS**

**Cross references.** — For provisions of the federal Social Security Act, see 42 U.S.C. § 301 et seq.

## **ARTICLE 15**

### **Open Meetings**

#### **10-15-1. Formation of public policy; procedures for open meetings; exceptions and procedures for closed meetings.**

A. In recognition of the fact that a representative government is dependent upon an informed electorate, it is declared to be public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them. The formation of public policy or the conduct of business by vote shall not be conducted in closed meeting. All meetings of any public body except the legislature and the courts shall be public meetings, and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. Reasonable efforts shall be made to accommodate the use of audio and video recording devices.

B. All meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policymaking body of any state agency or any agency or authority of any county, municipality, district or political subdivision, held for the purpose of formulating public policy, including the development of personnel policy, rules, regulations or ordinances, discussing public business or taking any action within the authority of or the delegated authority of any board, commission or other policymaking body are declared to be public meetings open to the public at all times, except as otherwise provided in the constitution of New Mexico or the Open Meetings Act. No

public meeting once convened that is otherwise required to be open pursuant to the Open Meetings Act shall be closed or dissolved into small groups or committees for the purpose of permitting the closing of the meeting.

C. If otherwise allowed by law or rule of the public body, a member of a public body may participate in a meeting of the public body by means of a conference telephone or other similar communications equipment when it is otherwise difficult or impossible for the member to attend the meeting in person, provided that each member participating by conference telephone can be identified when speaking, all participants are able to hear each other at the same time and members of the public attending the meeting are able to hear any member of the public body who speaks during the meeting.

D. Any meetings at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs and at which a majority or quorum of the body is in attendance, and any closed meetings, shall be held only after reasonable notice to the public. The affected body shall determine at least annually in a public meeting what notice for a public meeting is reasonable when applied to that body. That notice shall include broadcast stations licensed by the federal communications commission and newspapers of general circulation that have provided a written request for such notice.

E. A public body may recess and reconvene a meeting to a day subsequent to that stated in the meeting notice if, prior to recessing, the public body specifies the date, time and place for continuation of the meeting and, immediately following the recessed meeting, posts notice of the date, time and place for the reconvened meeting on or near the door of the place where the original meeting was held and in at least one other location appropriate to provide public notice of the continuation of the meeting. Only matters appearing on the agenda of the original meeting may be discussed at the reconvened meeting.

F. Meeting notices shall include an agenda containing a list of specific items of business to be discussed or transacted at the meeting or information on how the public may obtain a copy of such an agenda. Except in the case of an emergency or in the case of a public body that ordinarily meets more frequently than once per week, at least seventy-two hours prior to the meeting, the agenda shall be available to the public and posted on the public body's web site, if one is maintained. A public body that ordinarily meets more frequently than once per week shall post a draft agenda at least seventy-two hours prior to the meeting and a final agenda at least thirty-six hours prior to the meeting. Except for emergency matters, a public body shall take action only on items appearing on the agenda. For purposes of this subsection, "emergency" refers to unforeseen circumstances that, if not addressed immediately by the public body, will likely result in injury or damage to persons or property or substantial financial loss to the public body. Within ten days of taking action on an emergency matter, the public body shall report to the attorney general's office the action taken and the circumstances creating the emergency; provided that the requirement to report to the attorney general is waived upon the declaration of a state or national emergency.



G. The board, commission or other policymaking body shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the policymaking body.

H. The provisions of Subsections A, B and G of this section do not apply to:

(1) meetings pertaining to issuance, suspension, renewal or revocation of a license, except that a hearing at which evidence is offered or rebutted shall be open. All final actions on the issuance, suspension, renewal or revocation of a license shall be taken at an open meeting;

(2) limited personnel matters; provided that for purposes of the Open Meetings Act, "limited personnel matters" means the discussion of hiring, promotion, demotion, dismissal, assignment or resignation of or the investigation or consideration of complaints or charges against any individual public employee; provided further that this paragraph is not to be construed as to exempt final actions on personnel from being taken at open public meetings, nor does it preclude an aggrieved public employee from demanding a public hearing. Judicial candidates interviewed by any commission shall have the right to demand an open interview;

(3) deliberations by a public body in connection with an administrative adjudicatory proceeding. For purposes of this paragraph, "administrative adjudicatory proceeding" means a proceeding brought by or against a person before a public body in which individual legal rights, duties or privileges are required by law to be determined by the public body after an opportunity for a trial-type hearing. Except as otherwise provided in this section, the actual administrative adjudicatory proceeding at which evidence is offered or rebutted and any final action taken as a result of the proceeding shall occur in an open meeting;

(4) the discussion of personally identifiable information about any individual student, unless the student or the student's parent or guardian requests otherwise;

(5) meetings for the discussion of bargaining strategy preliminary to collective bargaining negotiations between the policymaking body and a bargaining unit representing the employees of that policymaking body and collective bargaining sessions at which the policymaking body and the representatives of the collective bargaining unit are present;

(6) that portion of meetings at which a decision concerning purchases in an amount exceeding two thousand five hundred dollars (\$2,500) that can be made only from one source is discussed and that portion of meetings at which the contents of

competitive sealed proposals solicited pursuant to the Procurement Code are discussed during the contract negotiation process. The actual approval of purchase of the item or final action regarding the selection of a contractor shall be made in an open meeting;

(7) meetings subject to the attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become a participant;

(8) meetings for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body;

(9) those portions of meetings of committees or boards of public hospitals where strategic and long-range business plans or trade secrets are discussed; and

(10) that portion of a meeting of the gaming control board dealing with information made confidential pursuant to the provisions of the Gaming Control Act [Chapter 60, Article 2E NMSA 1978].

I. If any meeting is closed pursuant to the exclusions contained in Subsection H of this section:

(1) the closure, if made in an open meeting, shall be approved by a majority vote of a quorum of the policymaking body; the authority for the closure and the subject to be discussed shall be stated with reasonable specificity in the motion calling for the vote on a closed meeting; the vote shall be taken in an open meeting; and the vote of each individual member shall be recorded in the minutes. Only those subjects announced or voted upon prior to closure by the policymaking body may be discussed in a closed meeting; or

(2) if a closure is called for when the policymaking body is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of the law authorizing the closed meeting and stating with reasonable specificity the subject to be discussed is given to the members and to the general public.

J. Following completion of any closed meeting, the minutes of the open meeting that was closed or the minutes of the next open meeting if the closed meeting was separately scheduled shall state that the matters discussed in the closed meeting were limited only to those specified in the motion for closure or in the notice of the separate closed meeting. This statement shall be approved by the public body under Subsection G of this section as part of the minutes.

**History:** 1953 Comp., § 5-6-23, enacted by Laws 1974, ch. 91, § 1; 1979, ch. 366, § 1; 1989, ch. 299, § 1; 1993, ch. 262, § 1; 1997, ch. 190, § 65; 1999, ch. 157, § 1; 2013, ch. 42, § 1.

## ANNOTATIONS

**The 2013 amendment**, effective June 14, 2013, required agendas to be available to the public seventy-two hours prior to a public meeting; required the attorney general to review a public body's action on emergency matters; in Subsection F, in the second sentence, after "emergency", added "or in the case of a public body that ordinarily meets more frequently than once per week, at least seventy-two hours prior to the meeting" and after "available to the public", deleted "at least twenty-four hours prior to the meeting" and added "and posted on the public body's web site, if one is maintained", and added the third and fifth sentences; in Paragraph (6) of Subsection H, after "from one source", added "is discussed"; in Paragraph (1) of Subsection I, at the beginning of the first sentence, added "the closure"; and in Paragraph (2) of Subsection I, at the beginning of the sentence, after "if", added "a closure is" and after "in an open meeting", added "the closed meeting".

**The 1999 amendment**, effective June 18, 1999, rewrote Paragraph H(9) which read: "those portions of meetings of committees or boards of public hospitals that receive less than fifty percent of their operating budget from direct public funds and appropriations where strategic and long-range business plans are discussed; and".

**The 1997 amendment**, effective June 20, 1997, in Subsection H, added Paragraph (10) and made minor stylistic changes at the end of Paragraphs (8) and (9).

**The 1993 amendment**, effective June 18, 1993, in Subsection B, inserted "administrative adjudicatory body" near the beginning of the first sentence; added Subsections C, E, F, and J, redesignating the remaining subsections accordingly and making a related reference change in present Subsections H and I; added Paragraphs (3) and (4) to Subsection H, redesignating the remaining paragraphs accordingly; added the language beginning "and that portion of meetings" to the end of the first sentence of present Paragraph (6) and substituted "or final action regarding the selection of a contractor shall" for "is to" in the second sentence of that paragraph; in Subsection I, inserted "and the subject to be discussed" and "with reasonable specificity" in Paragraph (1) and deleted "the closed meetings" following "in an open meeting" and inserted "and stating with reasonable specificity the subject to be discussed" in Paragraph (2); and made stylistic changes in Subsection B and Subsections D, G, H, and I.

## I. GENERAL CONSIDERATION.

**Purpose of the Open Meetings Act** is to open the meetings of governmental bodies to public scrutiny by allowing public attendance at such meetings, not to unduly burden the appropriate exercise of governmental decision-making and ability to act. *Gutierrez v. City of Albuquerque*, 1981-NMSC-061, 96 N.M. 398, 631 P.2d 304.

**The doctrine of res judicata** applies to claimed violations of the Open Meetings Act. *Anaya v. City of Albuquerque*, 1996-NMCA-092, 122 N.M. 326, 924 P.2d 735, cert. denied, 122 N.M. 194, 922 P.2d 576.

**Record of meeting.** — Duly approved, written minutes of a policy making body can be sufficient to constitute an official transcript for review and duly approved and executed resolutions of a policy-making body can appropriately serve as a statement of the legal and factual basis for the body's decision. *Village of Angel Fire v. Wheeler*, 2003-NMCA-041, 133 N.M. 421, 63 P.3d 524, cert. denied, 133 N.M. 413, 63 P.3d 516.

**Election of officers did not require a record of how voters voted.** — Where defendants installed a new headgate on the association's acequia system without obtaining the approval of the association or the mayordomo; the mayordomo and a commissioner, on behalf of the association, obtained a temporary restraining order prohibiting defendants from continuing work on the ditch; defendants claimed that the association's meeting to elect officers violated the Open Meeting Act, Chapter 10, Article 15 NMSA 1978, because the minutes of the meeting did not record how each member voted as required by 10-15-1(G) NMSA 1978 and that consequently, the commissioner and the mayordomo were not properly elected as officers and lacked standing to file the petition for injunction on behalf of the association; in the association's practice, each person meeting the voter requirements of 73-2-14 NMSA 1978 was accorded one vote; and the voters did not represent others, they represented their own interests in the ditch, the election of the commissioner and the mayordomo was not void because the purpose of recording the "yeas and nay's" of votes as required by 10-15-1(G) NMSA 1978 was not relevant where the recording of the votes would not serve the purpose of greater accountability. *Parkview Cmty. Ditch Ass'n v. Peper*, 2014-NMCA-049.

**To "attend and listen," as used in Subsection A,** means that persons desiring to attend shall have the opportunity to do so, that no one will be systematically excluded or arbitrarily refused admittance, and that the meeting will not be "closed" to the public. *Gutierrez v. City of Albuquerque*, 1981-NMSC-061, 96 N.M. 398, 631 P.2d 304.

## II. APPLICABILITY.

**City-owned utility.** — A city-owned electric utility corporation is a governmental board within a statute that requires the governing bodies of municipalities, etc., and all other governmental boards and commissions of state or its subdivisions that are supported by public funds to make all final decisions at meetings open to the public. *Raton Pub. Serv. Co. v. Hobbes*, 1966-NMSC-150, 76 N.M. 535, 417 P.2d 32 (decided under prior law).

**City board of education.** — A city board of education is a policymaking body covered by the public meeting law. *State v. Hernandez*, 1976-NMSC-081, 89 N.M. 698, 556 P.2d 1174.

**Litigation committee of the New Mexico state investment council.** — A litigation committee, acting under the delegated authority of the New Mexico state investment council (NMSIC) to settle legal matters, was subject to the Open Meetings Act because the committee was intended to be a policy-making body and its meetings were for the

purpose of taking an action within the authority of the NMSIC. *N.M. State Inv. Council v. Weinstein*, 2016-NMCA-069, cert. denied.

**Working group authorized to negotiate development agreement not subject to the Open Meetings Act.** — In consolidated appeals arising from petitioners' collective opposition to the development of the proposed Santolina planned community on Albuquerque's west side mesa in Bernalillo county, where the Bernalillo county board of county commissioners (board) approved a master plan for the development of the Santolina community, a zone map amendment which rezoned the land from rural agricultural to planned community zoning, and a development agreement between Bernalillo county and the owners of the land at issue, and where petitioners claimed the development agreement was negotiated and approved in violation of the Open Meetings Act, the district court did not err in dismissing petitioners' claim on the grounds that the development agreement was not subject to the Open Meetings Act, because the working group that drafted the development agreement had no authority to act in a way that could bind the board to any action or decision it negotiated or developed; rather, the working group drafted the development agreement in order for it to be handed off to the board, and it was subsequently the Board, not the working group, that heard public comments on the draft prior to its vote to approve the development agreement. *Benavidez v. Bernalillo Cnty. Bd. of Comm'rs*, 2021-NMCA-029, cert. denied.

**The child protective services task force is not a public body subject to the Open Meetings Act.** — The Open Meetings Act applies to any "public body" and this section provides that the Open Meetings Act applies to all meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policymaking body of any state agency or any agency or authority of any county, municipality, district or political subdivision. The child protective services task force, which was created by a house joint memorial during the 2019 legislative session for the purpose of making recommendations to generally improve the safety and well-being of children in the care of the child protective services system, is not subject to the Open Meetings Act, because it is not a policymaking entity as it holds a purely advisory role and exists only to make recommendations to real policymakers. *Applicability of Open Meetings Act to Child Protective Services Task Force* (1/30/20), [Att'y Gen. Adv. Ltr. 2020-01](#).

**Applicability of the Open Meetings Act to volunteer nursing board advisory committees.** — The Open Meetings Act, 10-15-1 to 10-15-4 NMSA 1978, applies to a quorum of members of any board or commission or other policy making body of any state agency held for the purpose of formulating public policy or taking any action within the authority of, or the delegated authority of, any board or commission or other policymaking body, and therefore, meetings of a volunteer advisory committee appointed by the nursing board to provide advice and recommendations to the nursing board on various topics would not implicate the Open Meetings Act, unless the advisory committee includes among its members a quorum of the nursing board, in which case the committee meeting would need to be noticed as a public meeting and the minutes would need to be taken, and any minutes that are taken must be open to public access.

*Use of Volunteers at the New Mexico State Board of Nursing* (11/26/18), [Att'y Gen. Adv. Ltr. 2018-09](#).

### III. EXCEPTIONS.

**Meetings with attorney.** — Subsection H(7) does not apply only when a public body has already become involved in litigation or has been informed it will likely become involved. Also, it does not require that a decision regarding litigation be made in an open meeting. *Board of Cnty. Comm'rs v. Ogden*, 1994-NMCA-010, 117 N.M. 181, 870 P.2d 143, cert. denied, 117 N.M. 215, 870 P.2d 753.

**Settlement agreements** entered into between parties are outside the attorney-client privilege, and therefore Paragraph (7) of Subsection H of this section has no bearing on their disclosure. *Board of Comm'rs v. Las Cruces Sun-News*, 2003-NMCA-102, 134 N.M. 283, 76 P.3d 36.

**Decisions to settle litigation may be made in a closed meeting.** — A litigation committee, acting under the delegated authority of the New Mexico State Investment Council to settle legal matters, did not violate the Open Meetings Act (OMA) when it approved settlement agreements under the Fraud Against Taxpayers Act, 44-9-1 to 44-9-14 NMSA 1978, in private meetings, but because the litigation committee failed to comply with the notice provisions of the OMA, the litigation committee's approval of the settlement agreements was invalid. *N.M. State Inv. Council v. Weinstein*, 2016-NMCA-069, cert. denied.

**Communications regarding limited personnel matters.** — In an underlying enforcement action under the New Mexico Inspection of Public Records Act, 14-2-1 to -12 NMSA 1978, where plaintiffs made a combined seven written requests of the Albuquerque public schools (APS) to inspect documents referencing complaints or allegations of misconduct regarding the former superintendent of APS, the district court did not err in ordering the non-party appellant to answer plaintiffs' deposition questions, because appellant failed to identify any privilege, either adopted by the New Mexico supreme court or recognized under the New Mexico constitution, on which to base her argument that communications regarding "limited personnel matters" that occur during a closed public meeting are immune from discovery, and failed to meet her burden of establishing the essential elements necessary to prove the applicability of the attorney-client privilege, based on a claimed common interest, to her communications with APS attorneys. *Albuquerque Journal v. Board of Educ.*, 2019-NMCA-012, cert. granted.

**County hospital physician's contract.** — The Open Meetings Act was not applicable to a county hospital's contract with a physician since the board's bylaws gave authority to the CEO to enter into employment contracts with his subordinates, the contract was discussed at a closed-door meeting of the board conducted by the hospital's attorney, which was proper under the personnel exclusion of the Open Meetings Act. Also, since it did not appear that any "final actions" were taken by the board on the employment contracts, there was no action taken, and the Open Meetings Act did not apply. The

contract did not have to be adopted by either the hospital's board or the county commission in order to be valid. *Treloar v. County of Chavez*, 2001-NMCA-074, 130 N.M. 794, 32 P.3d 803.

**Quorum not required.** — Where livestock board's executive director's largely unilateral action in negotiating with the Forest Service and executing a memorandum of understanding did not involve a meeting of a quorum of the Board members, the Open Meetings Act did not apply. *Paragon Found., Inc. v. N.M. Livestock Bd.*, 2006-NMCA-004, 138 N.M. 761, 126 P.3d 577, cert. denied, 2006-NMCERT-001, 139 N.M.272, 131 P.3d 659.

#### IV. GENERAL REQUIREMENTS.

**Reasonable public access required.** — A governmental entity must allow reasonable public access for those who wish to attend and listen to its proceedings. *Gutierrez v. City of Albuquerque*, 1981-NMSC-061, 96 N.M. 398, 631 P.2d 304.

**Meeting with overflow crowd qualifies as open and public.** — When the size of a crowd exceeds the capacity of the meeting place and every effort is made to allow those who cannot gain entrance to listen to the proceedings, the requirements of this article are satisfied and the meeting qualifies as both open and public. *Gutierrez v. City of Albuquerque*, 1981-NMSC-061, 96 N.M. 398, 631 P.2d 304.

**Restrictions on public's right to speak at open meetings.** — The Open Meetings Act does not require a county commission to allow the public to speak at its meetings. However, the commission in this case had an intentional practice and tradition of allowing public comment at its meetings, and it failed to identify a significant government interest justifying the prohibition of plaintiff's speech at a commission meeting. Therefore, the district courts order of summary judgment in favor of the commissioners was reversed. *Mesa v. White*, 197 F.3d 1041 (10th Cir. 1999).

#### V. NOTICE.

**Notice reasonable.** — Where notice of the meeting at which a board adopted regulations under the Environmental Improvement Act was mailed at least 10 days prior to the scheduled date to 64 individuals, committees and organizations (including the appellant who had and exercised the opportunity to appear at two preliminary meetings at which evidence was taken regarding the proposed regulations), the notice of these preliminary meetings was published in nine newspapers, a news release was issued on April 16, 1974, giving the time and place of the April 19 meeting and stating that the board would take action on proposed regulations for solid waste and New Mexico's ambient air standard for sulfur dioxide, notice of the meeting, citing a U.P.I. release, appeared in two other papers on April 18, 1974, and April 17, 1974, respectively, and moreover, April 19 was the regular monthly meeting date for the board, it was held that all of these efforts by the board constituted reasonable notice to the public within the

meaning of this subsection. *N.M. Mun. League, Inc. v. N.M. Env'tl. Imp. Bd.*, 1975-NMCA-083, 88 N.M. 201, 539 P.2d 221, cert. denied, 88 N.M. 318, 540 P.2d 248.

## VI. CORRECTION OF ERRORS.

**Reinstatement of termination proceedings after initial ones defective.** — Where the original termination proceedings against a teacher were reversed based upon a procedural defect (failure to comply with this article), the school board was entitled to reinstate terminational proceedings, correct the procedural defect, and rely upon the same alleged acts of misconduct that had been relied upon in the original proceedings. *Board of Educ. v. Sullivan*, 1987-NMSC-062, 106 N.M. 125, 740 P.2d 119.

**Correction of procedural error.** — A local school board's procedural error in, following private deliberations, issuing its written decision affirming a teacher's dismissal without convening an open meeting and without a public announcement of the vote, may be corrected by holding a prompt public meeting, affording the teacher an opportunity to be present, and publicly voting on and ratifying its decision. *Kleinberg v. Board of Educ.*, 1988-NMCA-014, 107 N.M. 38, 751 P.2d 722.

**Corrective action taken thirty months after procedural error was valid.** — Where the New Mexico State Investment Council (NMSIC) ratified settlement agreements approved by a litigation committee, which violated the Open Meetings Act when acting under the delegated authority of the NMSIC, the NMSIC's ratification of the settlements in a properly-noticed public meeting, which included a public agenda, was open to the public, was publicly voted on by a quorum of the NMSIC, and the minutes of which were published online, was sufficient to remedy the litigation committee's improper action, because the legislature did not intend to unduly burden the appropriate exercise of governmental decision-making and ability to act. *N.M. State Inv. Council v. Weinstein*, 2016-NMCA-069.

**Moot claim not vacated.** — Although the drug-testing policy in issue was replaced, making the claim under this act moot on appeal, the city is not entitled to vacate the trial court's judgment on that claim. *19 Solid Waste Dep't Mechanics v. City of Albuquerque*, 76 F.3d 1142 (10th Cir. 1996).

**Mutual domestic water association is a public body** and must comply with the Open Meetings Act. 2006 Op. Att'y Gen. No. 06-02.

**Dental hygiene committee must comply** fully with the Open Meetings Act. 1987 Op. Att'y Gen. No. 87-82.

**Intercommunity water supply association.** — An association composed solely of two incorporated villages for purposes of securing an adequate and economic supply of water for the residents of the villages was a public body subject to the Open Meetings Act, particularly in light of the considerable public authority the association had over the



creation, maintenance and distribution of the water to the two villages. 1991 Op. Att'y Gen. No. 91-07.

**Denial to citizen of right to address board.** — A local school board president has authority to deny citizens the right to address the local school board during a meeting of the board, if he is authorized to do so by rules promulgated by the board and he does not exercise that authority arbitrarily or capriciously. 1990 Op. Att'y Gen. No. 90-26.

**All stages to be open.** — All stages of the meetings must be open to the public because if the body were allowed to conduct a closed meeting in the determination of a matter, and then merely open the meeting to the public and announce its decision, the clear intent of the legislature would be defeated. 1959 Op. Att'y Gen. No. 59-105 (decided under prior law).

**Decisions made by telephone, etc.** — Final decisions made by telephone, mail or telegraph are not made at a meeting open to the public within the meaning of the act. A clear intention of the words "meeting open to the public" is to provide a situation where all of the attending members of the board or commission assembled together arrive at final decisions and determinations in such a manner as to allow the press and the general public to be present. Any other interpretation would defeat the legislative intent of the statute. 1959 Op. Att'y Gen. No. 59-105 (decided under prior law).

A county commission may not, consistently with this article, approve purchases by telephone. When it approves purchases, a county commission is conducting public business and taking official action. Therefore, to be valid, this action must be taken by the commissioners acting as a body at a meeting open to the public and according to the requirements of the Open Meetings Act. 1991 Op. Att'y Gen. No. 91-12.

**Recording and broadcasting of meetings.** — News reporters may record public meetings and may later broadcast those recordings, if the recording process does not effectively interfere with certain legitimate governmental interests such as the need to provide for order, decorum, etc. 1973 Op. Att'y Gen. No. 73-10 (decided under prior law).

**Notice of meetings.** — Notice must be posted in a timely manner prior to the anticipated meeting. 1990 Op. Att'y Gen. No. 90-29.

The reasonable notice standard contained in the Open Meetings Act involves an analysis of its substance and procedure, and no hard and fast rule can be applied to what constitutes "reasonable notice" under the Act. 1990 Op. Att'y Gen. No. 90-29.

Procedurally, it is acceptable to post notice in a prominent location like city hall or in the county courthouse. However, where notice has been posted in a prominent location but the public is denied access, such notice is defective and therefore not reasonable. 1990 Op. Att'y Gen. No. 90-29.

It is recommended that public policy-making bodies post notice at least 10 days prior to regular meetings, three days prior to special meetings and as practicable for emergency meetings. However, emergency meetings called with little or no notice must involve issues which, if not addressed immediately by a policy-making body, will threaten the health, safety or property of its citizens. 1990 Op. Att'y Gen. No. 90-29.

A violation of the Open Meeting Act's notice provisions must be considered to be substantial because the act's policy goals and intent cannot be achieved without sufficient notice. 1990 Op. Att'y Gen. No. 90-29.

**Publication in New Mexico register.** — A notice of proposed rulemaking in the New Mexico Register probably would not constitute reasonable notice under the Open Meetings Act, Sections 10-15-1 to 10-15-4 NMSA 1978, because the register is not widely circulated and is not readily available to the general public. 1993 Op. Att'y Gen. No. 93-02.

**"Limited personnel matters" exception.** — If a public policy-making body desires to meet in executive session to discuss an individual employee's dismissal, promotion, resignation, complaint or shortcomings, then such a meeting could properly be closed pursuant to the "limited personnel matters" exception set forth in Subsection H(2). Conversely, budgetary discussions and the like, while sometimes tangentially related to personnel matters, are not to be held behind closed doors. 1990 Op. Att'y Gen. No. 90-28.

**Use of proxy votes is not permitted.** — The Open Meetings Act does not allow a member of the New Mexico sentencing commission to use a designee to cast the member's vote at a meeting. 2010 Op. Att'y Gen. No. 10-02.

**Official acts.** — An "official act" for purposes of the Open Meetings Act broadly encompasses any activity related to an agency's official business, authority and responsibilities. 2010 Op. Att'y Gen. No. 10-02.

**Sanctions for violations.** — Sanctions for violating the Open Meetings Act include invalidation of agency action, award of attorney fees and costs to plaintiffs who prevail in a court action to enforce the Open Meetings Act, and criminal penalties. 2010 Op. Att'y Gen. No. 10-02.

**No general right of public sector collective bargaining.** — It would be incorrect to infer that by including a provision allowing closed meetings to discuss strategy preliminary to collective bargaining negotiations, Paragraph H(5) of this section, the legislature recognized the general right of public sector collective bargaining. To the contrary, that provision was enacted only because the legislature specifically had authorized cities to bargain collectively with transit workers in 3-52-14 to 3-52-16 NMSA 1978. 1987 Op. Att'y Gen. No. 87-41.

**The Las Cruces Selection Advisory Committee** is a policy-making body for purposes of the Open Meetings Act. 1990 Op. Att'y Gen. No. 90-27.

**Law reviews.** — For annual survey of New Mexico law relating to administrative law, see 13 N.M.L. Rev. 235 (1983).

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 2 Am. Jur. 2d Administrative Law § 101 et seq.

Emergency exception under state law making proceedings by public bodies open to the public, 33 A.L.R.5th 731.

Attorney-client exception under state law making proceedings by public bodies open to the public, 34 A.L.R.5th 591.

Pending or prospective litigation exception under state law making proceedings by public bodies open to the public, 35 A.L.R.5th 113.

Construction and application of exemptions, under 5 USCS § 552b(c), to open meeting requirement of Sunshine Act, 82 A.L.R. Fed. 465.

Exhaustion of administrative remedies as prerequisite to judicial action to compel disclosure under Freedom of Information Act (FOIA) (5 USC § 552), 112 A.L.R. Fed. 561.

73 C.J.S. Public Administrative Law and Procedure § 19.

### **10-15-1.1. Short title.**

Chapter 10, Article 15 NMSA 1978 may be cited as the "Open Meetings Act".

**History:** 1978 Comp., § 10-15-1.1, enacted by Laws 1979, ch. 366, § 2; 1989, ch. 299, § 2.

### **10-15-2. State legislature; meetings.**

A. Unless otherwise provided by joint house and senate rule, all meetings of any committee or policy-making body of the legislature held for the purpose of discussing public business or for the purpose of taking any action within the authority of or the delegated authority of the committee or body are declared to be public meetings open to the public at all times. Reasonable notice of meetings shall be given to the public by publication or by the presiding officer of each house prior to the time the meeting is scheduled.

B. The provisions of Subsection A of this section do not apply to matters relating to personnel or matters adjudicatory in nature or to investigative or quasi-judicial proceedings relating to ethics and conduct or to a caucus of a political party.

C. For the purposes of this section, "meeting" means a gathering of a quorum of the members of a standing committee or conference committee held for the purpose of taking any action within the authority of the committee or body.

**History:** 1953 Comp., § 5-6-24, enacted by Laws 1974, ch. 91, § 2; 2009, ch. 105, § 1.

## ANNOTATIONS

**The 2009 amendment**, effective June 19, 2009, in Subsection A, added "unless otherwise provided by joint house and senate rule" at the beginning of the sentence; after "all meetings of", deleted "a quorum of members of" and added the last sentence; in Subsection B, deleted the language after "adjudicatory in nature", deleted "or any bill, resolution or other legislative matter not yet presented to either house of the legislature or general appropriation bills" and added the remainder of the sentence; in Subsection C, after "gathering of", added "a quorum of"; after "members", deleted "called by the presiding officer" and after "standing committee", added the remainder of the sentence.

**Open meetings not required.** — The open meetings requirement as defined in this section does not apply to a caucus of the majority party of the house of representatives. 1976 Op. Att'y Gen. No. 76-21.

### 10-15-3. Invalid actions; standing.

A. No resolution, rule, regulation, ordinance or action of any board, commission, committee or other policymaking body shall be valid unless taken or made at a meeting held in accordance with the requirements of Section 10-15-1 NMSA 1978. Every resolution, rule, regulation, ordinance or action of any board, commission, committee or other policymaking body shall be presumed to have been taken or made at a meeting held in accordance with the requirements of Section 10-15-1 NMSA 1978.

B. All provisions of the Open Meetings Act shall be enforced by the attorney general or by the district attorney in the county of jurisdiction. However, nothing in that act shall prevent an individual from independently applying for enforcement through the district courts, provided that the individual first provides written notice of the claimed violation to the public body and that the public body has denied or not acted on the claim within fifteen days of receiving it. A public meeting held to address a claimed violation of the Open Meetings Act shall include a summary of comments made at the meeting at which the claimed violation occurred.

C. The district courts of this state shall have jurisdiction, upon the application of any person to enforce the purpose of the Open Meetings Act, by injunction, mandamus or other appropriate order. The court shall award costs and reasonable attorney fees to

any person who is successful in bringing a court action to enforce the provisions of the Open Meetings Act. If the prevailing party in a legal action brought under this section is a public body defendant, it shall be awarded court costs. A public body defendant that prevails in a court action brought under this section shall be awarded its reasonable attorney fees from the plaintiff if the plaintiff brought the action without sufficient information and belief that good grounds supported it.

D. No section of the Open Meetings Act shall be construed to preclude other remedies or rights not relating to the question of open meetings.

**History:** 1953 Comp., § 5-6-25, enacted by Laws 1974, ch. 91, § 3; 1989, ch. 299, § 3; 1993, ch. 262, § 2; 1997, ch. 148, § 1.

### ANNOTATIONS

**The 1997 amendment**, effective June 20, 1997, added the proviso in the second sentence of Subsection B and rewrote Subsection C.

**The 1993 amendment**, effective June 18, 1993, purported to amend this section but made no change.

**Memorandum of understanding** entered into by regional forester of the forest service and the executive director of the livestock board was not a proper action under this section, and thus there was no Open Meetings Act violation. *Paragon Found., Inc. v. N.M. Livestock Bd.*, 2006-NMCA-004, 138 N.M. 761, 126 P.3d 577, cert. denied, 2006-NMCERT-001, 139 N.M.272, 131 P.3d 659.

**Recall of school board members.** — Violation of the Open Meetings Act provides a sufficient basis for a petition to recall school board members. *Dona Ana Cnty. Clerk v. Martinez*, 2005-NMSC-037, 138 N.M. 575, 124 P.3d 210.

**Employment offer from two commissioners.** — The action of two county commissioners orally extending an offer of a two-year employment was without statutory authority because it was not made at a duly constituted meeting of the board and, thus, it was not a valid act capable of binding the county. *Trujillo v. Gonzales*, 1987-NMSC-119, 106 N.M. 620, 747 P.2d 915.

**Retroactive cure of invalid action.** — When a public entity acts to cure an employment termination action that was taken in violation of the Open Meetings Act by taking a later action, the later action cannot be applied retroactively to make the prior action valid and effective as of the date it was taken. *Palenick v. City of Rio Rancho*, 2012-NMCA-018, 270 P.3d 1281, cert. granted, 2012-NMCERT-002.

Where a municipality terminated plaintiff as city manager in violation of the Open Meeting Act and in a meeting eleven months after the termination, the municipality passed a resolution ratifying and approving the prior action, the later attempt to ratify

and approve the invalid action and make the termination retroactively effective as of the date of the prior action was not effective. *Palenick v. City of Rio Rancho*, 2012-NMCA-018, 270 P.3d 1281, cert. granted, 2012-NMCERT-002.

**Waiver of breach of employment agreement based on a violation of the act. —**

Where defendant's city council terminated plaintiff's employment agreement; even though plaintiff believed that the city council had violated the Open Meetings Act and that plaintiff was still an employee of defendant, plaintiff demanded the severance benefits provided in the agreement; the correspondence between plaintiff and defendant concerning plaintiff's demand for severance benefits did not mention the circumstances surrounding plaintiff's termination; plaintiff did not object to defendant's letter informing plaintiff that plaintiff was no longer an employee of defendant; defendant paid plaintiff the severance package; the attorney general determined that plaintiff's termination violated the Open Meetings Act and that the violation invalidated plaintiff's termination; and plaintiff sued defendant for violation of the Open Meeting Act and for breach of contract, plaintiff's demand and acceptance of the severance package from defendant constituted a waiver of plaintiff's right to pursue claims against defendant for violation of the Open Meetings Act and for breach of contract. *Palenick v. City of Rio Rancho*, 2013-NMSC-029, *rev'g* 2012-NMCA-018, 270 P.3d 1281.

**Breach of employment agreement based on a violation of the act. —** Where a municipality terminated plaintiff as city manager in violation of the Open Meeting Act, plaintiff's acceptance of severance benefits did not constitute a waiver of plaintiff's right to salary and benefits pursuant to plaintiff's employment agreement. *Palenick v. City of Rio Rancho*, 2012-NMCA-018, 270 P.3d 1281, cert. granted, 2012-NMCERT-002.

**Attorney's fees. —** Where a municipality terminated plaintiff as city manager in violation of the Open Meeting Act, plaintiff filed an action for enforcement of the act and for breach of contract to recover money due under plaintiff's employment agreement; and plaintiff's claim to enforce the act was dismissed for lack of jurisdiction, the court could not enforce the act in the breach of contract action by awarding attorney fees and costs under the act. *Palenick v. City of Rio Rancho*, 2012-NMCA-018, 270 P.3d 1281, cert. granted, 2012-NMCERT-002.

#### **10-15-4. Penalty.**

Any person violating any of the provisions of Section 10-15-1 or 10-15-2 NMSA 1978 is guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than five hundred dollars (\$500) for each offense.

**History:** 1953 Comp., § 5-6-26, enacted by Laws 1974, ch. 91, § 4; 1989, ch. 299, § 4.

## **ARTICLE 16**

### **Governmental Conduct**

## 10-16-1. Short title.

Chapter 10, Article 16 NMSA 1978 may be cited as the "Governmental Conduct Act".

**History:** 1953 Comp., § 5-12-1, enacted by Laws 1967, ch. 306, § 1; 1993, ch. 46, § 26.

### ANNOTATIONS

**The 1993 amendment,** effective July 1, 1993, rewrote this section, which read "This act may be cited as the 'Conflict of Interest Act'".

**Disclosure of disciplinary proceedings based on alleged violation of act.** — An attorney's revelation to the secretary of state of the outcome of disciplinary proceedings against another attorney who had been a staff attorney for the New Mexico public utilities commission, which disciplinary proceedings were based on the disclosing attorney's letter to the secretary of state alleging a violation by the other attorney of the Governmental Conduct Act was not actionable as a public disclosure of private facts. *Fernandez-Wells v. Beuvois*, 1999-NMCA-071, 127 N.M. 487, 983 P.2d 1006.

**Scope of act.** — This article applies only to state agencies and that term would not include a county commission. 1969 Op. Att'y Gen. No. 69-135.

As a state agency, the retiree health care authority is subject to those provisions of this article that apply to state agencies. 1991 Op. Att'y Gen. No. 91-06.

**Effect on school districts.** — It would not have been necessary to enact Section 22-21-1 NMSA 1978 of the public school code if this article applied to school districts. 1969 Op. Att'y Gen. No. 69-19.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 63A Am. Jur. 2d Public Officers and Employees §§ 321 to 323, 325.

67 C.J.S. Officers and Public Employees §§ 34, 89, 204.

## 10-16-2. Definitions.

As used in the Governmental Conduct Act:

A. "business" means a corporation, partnership, sole proprietorship, firm, organization or individual carrying on a business;

B. "confidential information" means information that by law or practice is not available to the public;

C. "contract" means an agreement or transaction having a value of more than one thousand dollars (\$1,000) with a state or local government agency for:

- (1) the rendition of services, including professional services;
- (2) the furnishing of any material, supplies or equipment;
- (3) the construction, alteration or repair of any public building or public work;
- (4) the acquisition, sale or lease of any land or building;
- (5) a licensing arrangement;
- (6) a loan or loan guarantee; or
- (7) the purchase of financial securities or instruments;

D. "employment" means rendering of services for compensation in the form of salary as an employee;

E. "family" means an individual's spouse, parents, children or siblings, by consanguinity or affinity;

F. "financial interest" means an interest held by an individual or the individual's family that is:

- (1) an ownership interest in business or property; or
- (2) any employment or prospective employment for which negotiations have already begun;

G. "local government agency" means a political subdivision of the state or an agency of a political subdivision of the state;

H. "official act" means an official decision, recommendation, approval, disapproval or other action that involves the use of discretionary authority;

I. "public officer or employee" means any elected or appointed official or employee of a state agency or local government agency who receives compensation in the form of salary or is eligible for per diem or mileage but excludes legislators;

J. "standards" means the conduct required by the Governmental Conduct Act;

K. "state agency" means any branch, agency, instrumentality or institution of the state; and



L. "substantial interest" means an ownership interest that is greater than twenty percent.

**History:** 1953 Comp., § 5-12-2, enacted by Laws 1967, ch. 306, § 2; 1979, ch. 350, § 1; 1993, ch. 46, § 27; 2007, ch. 362, § 1; 2011, ch. 138, § 2.

## ANNOTATIONS

**The 2011 amendment**, effective July 1, 2011, added definitions of "contract" and "local government agency" and included officials and employees of local governmental agencies within the definition of "public officer or employee".

**The 2007 amendment**, effective July 1, 2007, added Subsection D, defining "family"; deleted the definition of "person"; and added Subsection I, defining "state agency".

**The 1993 amendment**, effective July 1, 1993, substituted "Governmental Conduct Act" for "Conflict of Interest Act" in the introductory paragraph and in Subsection H; deleted Subsections C and D, defining "controlling interest" and "employee"; redesignated Subsections E through G as Subsections C through E; inserted "dependent" preceding "minor" in Subsection D; deleted "except the term does not mean an act of the legislature or an act of general applicability" at the end of Subsection E; added Subsections F, G, and I; and made minor stylistic changes throughout the section.

**Judges excluded.** — The legislature expressly chose to exclude judges from application of the Governmental Conduct Act. *State v. Maestas*, 2007-NMSC-001, 140 N.M. 836, 149 P.3d 933.

**Self-dealing by non-state-employed council members does not violate the Governmental Conduct Act.** — The Governmental Conduct Act does not prohibit members of the New Mexico council for purchasing from persons with disabilities (council) from voting to approve a contract subject to the State Use Act, 13-1C-1 to 13-1C-7 NMSA 1978, between a state agency or local public body and a council member or a company in which the council member has a financial interest. Most of the members of the council do not receive compensation or cost reimbursements from the state, and therefore are not subject to the Governmental Conduct Act's conflict-of-interest provisions, and although the Governmental Conduct Act prohibits a state agency from entering into a contract with a business in which a public officer or employee has a substantial interest, it is the designated central nonprofit agency that holds contracts under the State Use Act, not the council itself. 2020 Op. Ethics Comm'n No. 2020-07.

**Scope of section limited.** — This article did not apply to employees of school districts or other similar political subdivisions of the state. 1969 Op. Att'y Gen. No. 69-19.

**Employees of school districts do not hold a "state office".** 1969 Op. Att'y Gen. No. 69-19.

**Members of racing commission are within purview of conflict laws as employees.**  
1979 Op. Att'y Gen. No. 79-15.

**New Mexico municipal self-insurers' fund.** — The New Mexico municipal self insurers' fund, formed under the provisions of 11-1-3 NMSA 1978, authorizing governing bodies to exercise joint powers, and Article 62, Chapter 3 NMSA 1978, governing municipal insurance, is a state agency and is, therefore, subject to audit by the state auditor under 12-6-3 NMSA 1978. 1987 Op. Att'y Gen. No. 87-65.

### **10-16-3. Ethical principles of public service; certain official acts prohibited; penalty.**

A. A legislator or public officer or employee shall treat the legislator's or public officer's or employee's government position as a public trust. The legislator or public officer or employee shall use the powers and resources of public office only to advance the public interest and not to obtain personal benefits or pursue private interests.

B. Legislators and public officers and employees shall conduct themselves in a manner that justifies the confidence placed in them by the people, at all times maintaining the integrity and discharging ethically the high responsibilities of public service.

C. Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office in public service.

D. No legislator or public officer or employee may request or receive, and no person may offer a legislator or public officer or employee, any money, thing of value or promise thereof that is conditioned upon or given in exchange for promised performance of an official act. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

**History:** 1978 Comp., § 10-16-3, enacted by Laws 1993, ch. 46, § 28; 2007, ch. 362, § 2; 2011, ch. 138, § 3.

### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1993, ch. 46, § 28 repealed former 10-16-3 NMSA 1978, as enacted by Laws 1967, ch. 306, § 3, relating to gifts, and enacted a new section, effective July 1, 1993.

**The 2011 amendment,** effective July 1, 2011, in Subsection A, eliminated the qualification that prohibited personal benefits and private interests must be incompatible with the public interest.

**The 2007 amendment**, effective July 1, 2007, made grammatical changes.

**Judge's conviction invalid.** — The legislature expressly chose to exclude judges from application of the Governmental Conduct Act. Therefore, a judge could not be convicted of violating official acts prohibited under 10-16-3(D) NMSA 1978, and violating official acts prohibited by that section could not be used as the predicate felony to support the defendant's conviction of criminal sexual penetration during the commission of a felony. *State v. Maestas*, 2007-NMSC-001, 140 N.M. 836, 149 P.3d 933.

**The New Mexico legislature intended Subsections A through C of this section be applied as ethical principles rather than as criminal statutes.** — In consolidated cases, where petitioners were each charged under two or three subsections of the Governmental Conduct Act, and where the district court dismissed the charges in all four cases on different grounds, the district courts did not err in dismissing charges under 10-16-3(A) through 10-16-3(C) NMSA 1978, because the plain language of Subsections (A) through (C) demonstrate a legislative intent that these subsections be applied as ethical principles rather than as criminal statutes within the scope of 10-16-17 NMSA 1978. Each relevant subsection communicates a general goal or proscription without specifying a wrongful deed or forbidden act. *State v. Gutierrez*, 2023-NMSC-002, *rev'g* 2020-NMCA-045, 472 P.3d 1260.

**Legislative intent for willful and knowing violations.** — The plain meaning of § 10-16-3 NMSA 1978 and § 10-16-17 NMSA 1978 indicates a legislative intent to provide for a misdemeanor penalty for a knowing and willful violation of the provisions of §§ 10-16-3(A) through § 10-16-3(C) NMSA 1978. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

**Void for vagueness analysis of Subsection A.** — Section 10-16-3(A) NMSA 1978 mandates the use of the powers and resources of a legislator's, public officer's, or public employee's public office only for the benefit of the people of New Mexico, and prohibits legislators, public officers, and public employees from exploiting their powers and resources for private gain, and to the extent the application of Subsection A requires a qualitative determination of what constitutes a public versus private interest, as a general rule, the application of a qualitative standard to real-world conduct does not render a statute unconstitutionally vague. Subsection A provides a fair opportunity for persons of ordinary intelligence to determine whether his or her conduct is prohibited, as well as sufficient guidance for enforcement of the law such that it neither permits nor encourages subjective or ad hoc application. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

**Subsection B is unconstitutionally vague.** — Although § 10-16-3(B) NMSA 1978 describes behavior to which the listed officials should aspire, it does not follow with a definition or clarification of the conduct that is required to comply. To the extent the phrases "conduct themselves in a manner that justifies the confidence placed in them by the people," "maintaining the integrity," and "discharging ethically" were intended to require or prohibit certain conduct, the court is unable to ascertain with any reasonable

degree of certainty the conduct the legislature intended to prohibit. Subsection B not only fails to provide persons of ordinary intelligence a fair opportunity to determine whether their conduct is prohibited, but also fails to provide minimum guidance that would preclude subjective and ad hoc application of the law; Subsection B is vague and cannot form the basis for criminal charges under § 10-16-17 NMSA 1978. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

**Subsection C is unconstitutionally vague.** — Section 10-16-3(C) NMSA 1978 does not provide adequate guidance as to whom its requirements apply. The lack of any minimum guidance with regard to the class of persons whose conduct is governed by Subsection C renders it unconstitutionally vague because it fails to give people of ordinary intelligence a reasonable opportunity to know whether their conduct is prohibited because they have no notice as to whether they are a member of the class of persons contemplated under Subsection C, and it invites subjective and ad hoc application of the law because law enforcement officials have no guidance as to the class of persons subject to the requirements of the subsection. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

In four separate cases, consolidated for appeal, where each case arose from an allegation of misconduct by a government official, and where the district court in each case dismissed the charges against the defendants, finding that violations of §§ 10-16-3(A) through § 10-16-3(C) NMSA 1978 were not crimes but ethical considerations and therefore the indictments failed to allege the commission of a criminal offense, or that even if Subsections A through C provided for criminal offenses, they were nevertheless void for vagueness, the district courts' dismissals of the counts charging defendants under Subsection A were improper because the plain meaning of § 10-16-3 NMSA 1978 and § 10-16-17 NMSA 1978 indicates a legislative intent to provide for a misdemeanor penalty for a knowing and willful violation of Subsection A, but the dismissals of the counts charging defendants under Subsections B through C were proper because those subsections fail to provide persons of ordinary intelligence a fair opportunity to determine whether their conduct is prohibited. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

**The Governmental Conduct Act does not prohibit a legislator from sitting on the board of a nonprofit organization that receives state contracts.** — Although a legislator's unpaid membership on the board of directors of a nonprofit organization is not a financial interest subject to disclosure or regulation under the Governmental Conduct Act, a legislator who serves as a volunteer member on the board of directors of a nonprofit organization that assists victims of sexual assault and advocates on their behalf may not use the powers and resources of public office to obtain personal benefits or pursue private interests, must make full disclosure of real or potential conflicts of interest, may be required to recuse from votes that might impact the nonprofit organization and, when dealing with state agencies on behalf of the nonprofit organization, should avoid making reference to the legislator's official status, except as to matters related to scheduling, avoid communications on legislative stationery, and

avoid threats or implications relating to legislative actions. 2021 Op. Ethics Comm'n No. 2021-02.

**The Governmental Conduct Act does not prohibit a business significantly owned by a legislator from applying for and receiving federal CARES relief funds.** — The Governmental Conduct Act does not prohibit a business significantly owned by a legislator from applying for and receiving federal Coronavirus Aid, Relief, and Economic Security Act (CARES) relief funds, because a legislator is not directly responsible for the New Mexico department of finance and administration's and the New Mexico finance authority's distribution of CARES relief grants; the decision to award grant money to a business owned by the legislator has no direct connection with an exercise of the powers and responsibilities of the legislator's public office. 2021 Op. Ethics Comm'n No. 2021-03.

**An oversight agency does not violate the public trust by publicizing concerns about the operation of a state agency.** — The New Mexico state auditor, in releasing to the public his concerns about the operation of the Martin Luther King, Jr. commission, does not violate the Governmental Conduct Act, because it is not a violation of the public trust to publicize the findings of an audit that contained numerous findings of material weaknesses and material noncompliance. 2021 Op. Ethics Comm'n No. 2021-04.

**A legislator or public officer does not violate the Governmental Conduct Act by submitting records requests to other state agencies.** — The New Mexico state treasurer, who is a statutorily designated member of the Martin Luther King, Jr. commission (MLK commission), did not violate the Governmental Conduct Act in submitting numerous records requests to the MLK commission pursuant to the Inspection of Public Records Act, 14-2-1 to 14-2-12 NMSA 1978, given that the New Mexico legislature has declared that it is the public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of public officers and employees, and that to provide persons with such information is an essential function of a representative government and an integral part of the routine duties of public officers and employees. 2021 Op. Ethics Comm'n No. 2021-04.

**This section does not require recusal on any vote affecting a legislator's interests.** — Under this section, a legislator may not use the powers and resources of their legislative office to obtain personal benefits or pursue private interests, but this section does not require recusal on any vote affecting a legislator's interests, and therefore a legislator who is a respondent in administrative complaints pending in the state ethics commission is not prohibited by this section from voting on proposed legislation that affects the state ethics commission. 2021 Op. Ethics Comm'n No. 2021-07.

**A legislator's official acts affecting a financial interest are prohibited.** — Section 10-16-3(A) NMSA 1978 of the Governmental Conduct Act provides that a legislator may

not use the powers and resources of their legislative office to obtain personal benefits or pursue private interests, and therefore a newly elected legislator who owns, and was previously employed by, a corporation that currently provides services to the state pursuant to contracts and grant agreements would be prohibited from taking any official act for the purpose of benefitting either the legislator's ownership or employment interests in the corporation. A legislator may voluntarily recuse from participation in a matter that affects, or has the appearance of affecting, their interest. 2023 Op. Ethics Comm'n No. 2023-01.

**Duty to disclose real or potential conflicts of interest.** — Section 10-16-3(C) NMSA 1978 of the Governmental Conduct Act requires a legislator to disclose real or potential conflicts of interest, and therefore a newly elected legislator who owns, and was previously employed by, a corporation that currently provides services to the state pursuant to contracts and grant agreements has a duty to disclose the legislator's interest in the corporation. If the legislator has disclosed ownership of and employment by the corporation on an annual financial disclosure statement, that statement would be sufficient to meet the disclosure required by Section 10-16-3(C) NMSA 1978. 2023 Op. Ethics Comm'n No. 2023-01.

**A legislator's duty to disclose potential conflicts of interest and duty to treat position as a public trust.** — Under the Governmental Conduct Act, a legislator may not use the powers and resources of their legislative office to obtain personal benefits or pursue private interests, and must disclose any real or potential conflicts of interest, and therefore a legislator, whose children own and operate a company that has service contracts with state agencies, which were awarded through a competitive process, and whose only financial interest in his children's company is a rental agreement for storage space, would be prohibited from taking any official act for the purpose of benefitting their children's company and would be required to disclose the legislator's interest in the storage-rental contract on their annual financial disclosure statement. 2023 Op. Ethics Comm'n No. 2023-02.

**Self-dealing by non-state-employed council members does not violate the Governmental Conduct Act.** — The Governmental Conduct Act does not prohibit members of the New Mexico council for purchasing from persons with disabilities (council) from voting to approve a contract subject to the State Use Act, 13-1C-1 to 13-1C-7 NMSA 1978, between a state agency or local public body and a council member or a company in which the council member has a financial interest. Most of the members of the council do not receive compensation or cost reimbursements from the state, and therefore are not subject to the Governmental Conduct Act's conflict-of-interest provisions, and although the Governmental Conduct Act prohibits a state agency from entering into a contract with a business in which a public officer or employee has a substantial interest, it is the designated central nonprofit agency that holds contracts under the State Use Act, not the council itself. 2020 Op. Ethics Comm'n No. 2020-07.

**The Governmental Conduct Act does not limit communications between a legislator and a lobbyist.** — The Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, regulates the conduct of legislators in limited circumstances, requires legislators to disclose any conflict of interest, and requires legislators to use the powers of their legislative office only to advance the public interest, but the Governmental Conduct Act does not constrain any communications between a legislator and a lobbyist employed by an entity that contracts with or employs the legislator, nor does it constrain communications between a legislator and the board members or employees of an entity that employs or contracts with the legislator. 2022 Op. Ethics Comm'n No. 2022-06.

**Bond attorneys.** — The provision of the Governmental Conduct Act that limits contributions to state officers and employees by businesses that provide financial services does not apply to lawyers who perform bond work for the state. 2007 Op. Att'y Gen. No. 07-04.

**Holding a cabinet office and a university position.** — The concurrent holding of a cabinet office and a position with a university regulated, to any degree, by the cabinet office raises the conflict of interest issues addressed by the Governmental Conduct Act and may require the cabinet officer to relinquish the officer's university position. 2007 Op. Att'y Gen. No. 07-06.

**Free passes for racing commissioners disallowed.** — When the members of the racing commission distribute free passes which the tracks must honor they are requesting a benefit for themselves or for those upon whom they wish to confer a benefit from persons who are directly affected by their official acts, which is the kind of activity this article is intended to prevent. 1979 Op. Att'y Gen. No. 79-15.

**Public employees retirement board members could not accept expense-paid trip.** — Public employees retirement board members could not accept an offer of an expense-paid trip to Columbus, Ohio to be hosted by public employees benefit services corporation. 1989 Op. Att'y Gen. No. 89-21.

**District attorney's office may accept unconditional gifts or donations of goods, services or other in-kind benefits.** — Public officers and employees are prohibited from knowingly requesting or receiving any money or thing of value that is conditioned upon or given in exchange for the promised performance of an official act, and the rules of professional conduct for lawyers prohibit a lawyer from accepting compensation from third parties unless there is no interference with the lawyer's independence of professional judgment in rendering legal services, and therefore, under these provisions, a state agency such as a district attorney's office may accept donations of goods and services for official purposes if the donations are made voluntarily and unconditionally and do not affect the office's independent and unbiased provision of prosecutorial and other legal services. *Use of Funds and Services Received from Third Parties* (1/14/19), [Att'y Gen. Adv. Ltr. 2019-01](#).

**A state employee who also receives a monthly salary from a political campaign committee does not necessarily violate state ethics laws.** — Although the Gift Act, 10-16B-1 to 10-16B-4 NMSA 1978, the Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, the Financial Disclosure Act, 10-16A-1 to 10-16A-8 NMSA 1978, the Campaign Reporting Act, 1-19-25 to 1-19-36 NMSA 1978, and the State Ethics Commission Act, Chapter 10, Article 16G NMSA 1978, impose certain duties on state employees and regulate certain state employees' conduct, the limited set of facts presented in this request, that a state employee, while employed and performing regular public duties, is also receiving a monthly salary from a political campaign committee or political organization, do not establish a violation of any of the foregoing statutes. 2020 Op. Ethics Comm'n No. 2020-01.

**Cabinet secretary's teleworking accommodations do not violate the Governmental Conduct Act.** — The Governmental Conduct Act, 10-16-3(A) NMSA 1978, prohibits an out-of-state telework accommodation that either inhibits a state employee's performance of statutorily defined duties or otherwise obstructs the advancement of the public interest, but the fact that the New Mexico secretary of education has worked from Philadelphia, Pennsylvania for several months during the 2020 public health crisis, without any information that the secretary of education's performance is inhibited in any way, does not establish a violation of the Governmental Conduct Act. 2020 Op. Ethics Comm'n No. 2020-06.

**Paid leave for a teacher also serving as a legislator does not create an impermissible conflict of interest.** — A school district's provision of compensation, including paid leave, to a school teacher or administrator serving as a legislator does not, by itself, create an impermissible conflict of interest. A disqualifying conflict would exist only if it was established that a school district provided paid leave to a school employee not as compensation for services, but to influence the employee's decisions and official actions as a legislator. *Provision of Paid Leave to Teacher Serving as Legislator* (5/31/17), [Att'y Gen. Adv. Ltr. 2017-05](#).

### **10-16-3.1. Prohibited political activities.**

A public officer or employee is prohibited from:

A. directly or indirectly coercing or attempting to coerce another public officer or employee to pay, lend or contribute anything of value to a party, committee, organization, agency or person for a political purpose;

B. threatening to deny a promotion or pay increase to an employee who does or does not vote for certain candidates, requiring an employee to contribute a percentage of the employee's pay to a political fund, influencing a subordinate employee to purchase a ticket to a political fundraising dinner or similar event, advising an employee to take part in political activity or similar activities; or



C. violating the officer's or employee's duty not to use property belonging to a state agency or local government agency, or allow its use, for other than authorized purposes.

**History:** Laws 2007, ch. 362, § 9; 2011, ch. 138, § 4.

### ANNOTATIONS

**The 2011 amendment**, effective July 1, 2011, prohibited a public officer or employee from violating another officer's or employee's duty not to use property of local governmental agencies.

### **10-16-4. Official act for personal financial interest prohibited; disqualification from official act; providing a penalty.**

A. It is unlawful for a public officer or employee to take an official act for the primary purpose of directly enhancing the public officer's or employee's financial interest or financial position. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

B. A public officer or employee shall be disqualified from engaging in any official act directly affecting the public officer's or employee's financial interest, except a public officer or employee shall not be disqualified from engaging in an official act if the financial benefit of the financial interest to the public officer or employee is proportionately less than the benefit to the general public.

C. No public officer during the term for which elected and no public employee during the period of employment shall acquire a financial interest when the public officer or employee believes or should have reason to believe that the new financial interest will be directly affected by the officer's or employee's official act.

**History:** 1953 Comp., § 5-12-4, enacted by Laws 1967, ch. 306, § 4; 1993, ch. 46, § 29; 2007, ch. 362, § 3; 2011, ch. 138, § 5.

### ANNOTATIONS

**The 2011 amendment**, effective July 1, 2011, in Subsection B, permitted public officers and employees to engage in official acts if the financial benefit of their financial interest is proportionally less than the benefit to the general public; and added Subsection C to prohibit public officers and employees from acquiring a financial interest when the interest will affect the officer's or employee's official act.

**The 2007 amendment**, effective July 1, 2007, deleted Subsection C, which permitted the governor to make an exception to the requirement that a public officer or employee be disqualified from engaging in an official act.

**The 1993 amendment**, effective July 1, 1993, rewrote the catchline, which read "Disqualification"; added current Subsection A; redesignated Subsections A and B as Subsections B and C; rewrote Subsection B, which read "An employee shall disqualify himself from participating in any official act directly affecting a business in which he has a financial interest"; and, in, Subsection C, substituted "to Subsection B of this section" for "from this section", inserted "public officer or" in two places, and made minor stylistic changes.

**Propriety of vote or abstention.** — A legislator should follow Chapter 10, Article 16 NMSA 1978 and his legislative body's code of ethics in deciding when it is proper to vote or abstain on a matter in front of the body. 2003 Op. Att'y Gen. No. 03-01.

**A public official is prohibited from participating in an official act that would increase the wages paid to the official's spouse.** — The Governmental Conduct Act prohibits a public official from taking an official action that directly benefits a financial interest held by the public official or the public official's family, and therefore, a public official employed by or serving on the governing board of a public post-secondary educational institution that is considering a decision to approve a contract that would increase wages paid to the institution's employees, one of whom is the public official's spouse, would be prohibited from participating in the review and approval of the contract. 2022 Op. Ethics Comm'n No. 2022-09.

**The disqualification provision of this section does not apply to legislators.** — Legislators are expressly excluded from the definition of a "public officer or employee" and therefore a legislator who is a respondent in administrative complaints pending in the state ethics commission is not prohibited by this section from voting on proposed legislation that affects the state ethics commission. 2021 Op. Ethics Comm'n No. 2021-07.

**State transportation authority member** should recuse himself when a conflict arises between the authority's official acts and his own financial interests. When the public interest requires the participation of a member who has a conflict of interest with the particular official act, the member should ask the governor for a specific exception. If the public interest so requires, the governor should grant the exception. 1987 Op. Att'y Gen. No. 87-71.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — What constitutes acts affecting personal financial interest within meaning of 18 USCS § 208(a), penalizing participation by government employees in matters in which they have personal financial interest, 59 A.L.R. Fed. 872.

### **10-16-4.1. Honoraria prohibited.**

No legislator, public officer or employee may request or receive an honorarium for a speech or service rendered that relates to the performance of public duties. For the purposes of this section, "honorarium" means payment of money, or any other thing of

value in excess of one hundred dollars (\$100), but does not include reasonable reimbursement for meals, lodging or actual travel expenses incurred in making the speech or rendering the service, or payment or compensation for services rendered in the normal course of a private business pursuit.

**History:** Laws 1993, ch. 46, § 38.

### **10-16-4.2. Disclosure of outside employment.**

A public officer or employee shall disclose in writing to the officer's or employee's respective office or employer all employment engaged in by the officer or employee other than the employment with or service to a state agency or local government agency.

**History:** Laws 2007, ch. 362, § 10; 2011, ch. 138, § 6.

#### **ANNOTATIONS**

**The 2011 amendment,** effective July 1, 2011, required public officers and employees to report outside employment to their office or employer.

### **10-16-4.3. Prohibited employment.**

It is unlawful for a state agency employee or local government agency employee who is participating directly or indirectly in the contracting process to become or to be, while such an employee, the employee of any person or business contracting with the governmental body by whom the employee is employed.

**History:** Laws 2011, ch. 138, § 1.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2011, ch. 138, § 15 made Laws 2011, ch. 138, § 1 effective July 1, 2011.

### **10-16-5. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 46, § 58 repealed 10-16-5 NMSA 1978, as enacted by Laws 1967, ch. 306, § 5, relating to acquiring financial interest, effective July 1, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

### **10-16-6. Confidential information.**

No legislator or public officer or employee shall use or disclose confidential information acquired by virtue of the legislator's or public officer's or employee's position with a state agency or local government agency for the legislator's, public officer's or employee's or another's private gain.

**History:** 1953 Comp., § 5-12-6, enacted by Laws 1967, ch. 306, § 6; 1993, ch. 46, § 30; 2007, ch. 362, § 4; 2011, ch. 138, § 7.

## ANNOTATIONS

**The 2011 amendment,** effective July 1, 2011, prohibited legislators and public officers and employees from disclosing confidential information acquired from their position with a local government agency.

**The 2007 amendment,** effective July 1, 2007, prohibited the disclosure of confidential information.

**The 1993 amendment,** effective July 1, 1993, inserted "public officer".

**A legislator, in providing legal services in a private capacity, did not violate the Governmental Conduct Act by asserting claims against a public agency.** — A legislator, in providing services as a private attorney, did not violate the Governmental Conduct Act when the legislator filed three separate discrimination and public-records lawsuits against the Martin Luther King, Jr. commission (MLK commission), spoke about these lawsuits with the media, and made six requests for public records under the Inspection of Public Records Act, because under these sets of facts, there was nothing to suggest the legislator received, much less disclosed, confidential information about the MLK commission that the legislator acquired through his or her office as a member of the New Mexico legislature. 2021 Op. Ethics Comm'n No. 2021-04.

### **10-16-7. Contracts involving public officers or employees.**

A. A state agency shall not enter into a contract with a public officer or employee of the state, with the family of the public officer or employee or with a business in which the public officer or employee or the family of the public officer or employee has a substantial interest unless the public officer or employee has disclosed through public notice the public officer's or employee's substantial interest and unless the contract is awarded pursuant to a competitive process; provided that this section does not apply to a contract of official employment with the state. A person negotiating or executing a contract on behalf of a state agency shall exercise due diligence to ensure compliance with the provisions of this section.

B. Unless a public officer or employee has disclosed the public officer's or employee's substantial interest through public notice and unless a contract is awarded pursuant to a competitive process, a local government agency shall not enter into a contract with a public officer or employee of that local government agency, with the

family of the public officer or employee or with a business in which the public officer or employee or the family of the public officer or employee has a substantial interest.

C. Subsection B of this section does not apply to a contract of official employment with a political subdivision. A person negotiating or executing a contract on behalf of a local government agency shall exercise due diligence to ensure compliance with the provisions of this section.

**History:** 1953 Comp., § 5-12-7, enacted by Laws 1967, ch. 306, § 7; 1983, ch. 90, § 1; 1989, ch. 264, § 26; 1993, ch. 46, § 31; 2007, ch. 362, § 5; 2009, ch. 66, § 11; 2011, ch. 138, § 8.

## ANNOTATIONS

**The 2011 amendment**, effective July 1, 2011, in Subsection A, required public notice of a public officer's or employee's substantial interest in a contract with a state agency and eliminated the exemption for contracts made under the University Research and Economic Development Act and the New Mexico Research Applications Act; added Subsection B to prohibit local government agencies from entering into a contract with a public officer or employee or their family unless the officer or employee has disclosed their substantial interest in the contract and the contract is awarded through competitive bidding; and added Subsection C to exempt contracts of official employment with political subdivisions from the prohibition of Subsection B.

**The 2009 amendment**, effective April 2, 2009, added "and Economic Development Act" after "University Research Park" and added "or the New Mexico Research Applications Act".

**The 2007 amendment**, effective July 1, 2007, prohibited contracts with the family of a public officer or employee or with a business in which the family of a public officer or employee has a substantial interest unless the interest has been disclosed; provided that public officers and employees and their families are not eligible for sole source or small purchase contracts; and required persons who negotiate contracts for a state agency to use due diligence to ensure compliance with this section.

**The 1993 amendment**, effective July 1, 1993, inserted "public officers or" in the section heading and inserted "public officer or" in three places; substituted the language beginning "substantial interest unless" and ending at the beginning of the proviso for "controlling interests involving services or property of a value in excess of one thousand dollars (\$1,000) when the employee has disclosed his controlling interest unless the contract is made after public notice and competitive bidding"; and made a minor stylistic change.

**Public notice and a competitive process are required before a local government agency may enter into a contract with a public officer.** — Where a village trustee owns an RV park, adjacent to which is a piece of property owned by the village, and

where, for many years, the RV park has used the parcel of village property as an extension of the RV park, and where the trustee has expressed an interest in purchasing the parcel, this section does not prohibit the sale or lease of the village property to the trustee as long as the public has notice of the trustee's interest in a transaction between the village and the RV park and the village conducts the sale or lease through a competitive process. 2023 Op. Ethics Comm'n No. 2023-05.

**Self-dealing by non-state-employed council members does not violate the Governmental Conduct Act.** — The Governmental Conduct Act does not prohibit members of the New Mexico council for purchasing from persons with disabilities (council) from voting to approve a contract subject to the State Use Act, 13-1C-1 to 13-1C-7 NMSA 1978, between a state agency or local public body and a council member or a company in which the council member has a financial interest. Most of the members of the council do not receive compensation or cost reimbursements from the state, and therefore are not subject to the Governmental Conduct Act's conflict-of-interest provisions, and although the Governmental Conduct Act prohibits a state agency from entering into a contract with a business in which a public officer or employee has a substantial interest, it is the designated central nonprofit agency that holds contracts under the State Use Act, not the council itself. 2020 Op. Ethics Comm'n No. 2020-07.

### **10-16-8. Contracts involving former public officers or employees; representation of clients after government service.**

A. A state agency shall not enter into a contract with, or take any action favorably affecting, any person or business that is:

(1) represented personally in the matter by a person who has been a public officer or employee of the state within the preceding year if the value of the contract or action is in excess of one thousand dollars (\$1,000) and the contract is a direct result of an official act by the public officer or employee; or

(2) assisted in the transaction by a former public officer or employee of the state whose official act, while in state employment, directly resulted in the agency's making that contract or taking that action.

B. A former public officer or employee shall not represent a person in the person's dealings with the government on a matter in which the former public officer or employee participated personally and substantially while a public officer or employee.

C. A local government agency shall not enter into a contract with, or take any action favorably affecting, any person or business that is:

(1) represented personally in the matter by a person who has been a public officer or employee of that local government agency within the preceding year if the

value of the contract or action is in excess of one thousand dollars (\$1,000) and the contract is a direct result of an official act by the public officer or employee; or

(2) assisted in the transaction by a former public officer or employee of that political subdivision of the state whose official act, while in employment with that political subdivision of the state, directly resulted in the agency's making that contract or taking that action.

D. For a period of one year after leaving government service or employment, a former public officer or employee shall not represent for pay a person before the state agency or local government agency at which the former public officer or employee served or worked.

**History:** 1953 Comp., § 5-12-8, enacted by Laws 1967, ch. 306, § 8; 1983, ch. 90, § 2; 1993, ch. 46, § 32; 2011, ch. 138, § 9.

## ANNOTATIONS

**The 2011 amendment**, effective July 1, 2011, added a new Subsection C to provide limitations on contracting by local government agencies with former public officers and employees; and relettered the succeeding subsection.

**The 1993 amendment**, effective July 1, 1993, rewrote the section heading, which read "Contracts involving former employees"; inserted the subsection designation "A" at the beginning, redesignated Subsections A and B as Paragraphs (1) and (2), and added Subsections B and C; and, in Subsection A, inserted "public officer or" in three places and made minor stylistic changes.

**Subsection C [now Subsection D] not unconstitutional regulation of law practice.** — The application of Subsection C [D] to former executive branch attorneys is not an attempt by the legislature to regulate the practice of law and the provision does not violate separation of powers. *Ortiz v. Taxation & Revenue Dep't*, 1998-NMCA-027, 124 N.M. 677, 954 P.2d 109.

**Construction with Rule 16-111 NMRA.** — Subsection C [now Subsection D] and Rule 16-111 NMRA, prohibiting an attorney in private practice from representing a client in a matter in which the attorney participated personally and substantially while a public officer or employee, prohibit different types of conduct and are not in conflict. *Ortiz v. Taxation & Revenue Dep't*, 1998-NMCA-027, 124 N.M. 677, 954 P.2d 109.

**Restrictions on former public lawyer's representation of a third-party in dealings with the government.** — It is a violation of the Governmental Conduct Act, 10-16-1 to 10-16-8 NMSA 1978, for a lawyer, formerly employed with the New Mexico environment department (NMED), to represent a third party seeking to enforce a consent order that he had a personal and substantial role in negotiating, drafting, executing and enforcing while employed with the NMED, and where NMED is an adverse party in the litigation,

because 10-16-8(B) NMSA 1978 prohibits a former public officer or employee from representing a person in the person's dealings with the government on a matter in which the former public officer or employee participated personally and substantially while a public officer or employee. 2020 Op. Ethics Comm'n No. 2020-02.

**Former government employee's contractual arrangement does not violate the Governmental Conduct Act.** — The Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, provides that a former government employee shall not represent a person or corporation in dealings with the government on a matter in which the employee personally and substantially participated while a public officer or employee, and also provides that "for a period of one year after leaving service or employment, a former public officer or employee shall not represent for pay a person before the state agency or local government agency at which the former public officer or employee served or worked." The prohibitions set out in 10-16-8(B) and (D) NMSA 1978 are not triggered where a former deputy secretary of a state agency is contemplating working as a contractor for a healthcare corporation during the year after she separated from state government and where, after that initial year, the former deputy secretary may work for the corporation as an employee, because under the facts presented, the former deputy secretary will not "represent" the healthcare corporation before any state agency, whether on a matter the former deputy secretary previously participated in personally and substantially or otherwise. Also under the facts presented, the former deputy secretary did not interact or have communication with the agencies involved in the procurements during her tenure in state government, and therefore the agency's duty not to enter into a contract or take other favorable action affecting any person or business, as provided in 10-16-8(A)(2) NMSA 1978, is not violated. 2022 Op. Ethics Comm'n No. 2022-10.

**Former mayor not prohibited from representing union in new collective bargaining agreement.** — Where, in 2021, the city entered into a collective bargaining agreement with the police officers association (POA), and where, in 2023, the POA requested to reopen collective bargaining negotiations per its 2021 agreement, and where a former mayor, in office at the time of the 2021 agreement, is currently serving as a negotiator on behalf of the POA in its negotiations with the city, NMSA 1978, § 10-16-8(C)(2) does not prohibit the city from entering into a new contract with the POA simply because it is represented by the former mayor; the purpose of § 10-16-8(C)(2) is to prevent government officials from using the powers and resources of their public office with a purpose to secure a benefit for themselves after they separate from government services, and there is no indication that the former mayor took official acts with respect to the 2021 collective bargaining agreement with a purpose to secure a benefit for himself or the POA after he separated from the city. The contract at issue is a future collective bargaining agreement between the city and the POA, presumably negotiated pursuant to the city's collective bargaining ordinance, under which both the city and its employees benefit. 2023 Op. Ethics Comm'n No. 2023-06.

**10-16-9. Contracts involving legislators; representation before state agencies.**



A. A state agency shall not enter into a contract for services, construction or items of tangible personal property with a legislator, the legislator's family or with a business in which the legislator or the legislator's family has a substantial interest unless the legislator has disclosed the legislator's substantial interest and unless the contract is awarded in accordance with the provisions of the Procurement Code [13-1-28 to 13-1-199 NMSA 1978], except the potential contractor shall not be eligible for a sole source or small purchase contract. A person negotiating or executing a contract on behalf of a state agency shall exercise due diligence to ensure compliance with the provisions of this subsection.

B. Except as provided in Subsection C of this section, a legislator shall not appear for, represent or assist another person in a matter before a state agency, unless that appearance, representation or assistance is provided without compensation.

C. A legislator may appear for, represent or assist another person in a matter before a state agency when the legislator is an attorney or other professional who is making that appearance or providing that representation or assistance while engaged in the conduct of that legislator's profession. That legislator shall not:

(1) make references to the legislator's legislative capacity except as to matters of scheduling; or

(2) use legislative stationery, legislative email or any other indicia of the legislator's legislative capacity.

D. A legislator shall not make direct or indirect threats related to legislative actions in any instance in which the legislator appears for, represents or assists another person in a matter before a state agency.

**History:** 1953 Comp., § 5-12-9, enacted by Laws 1967, ch. 306, § 9; 1989, ch. 143, § 1; 1993, ch. 46, § 33; 2007, ch. 362, § 6; 2023, ch. 3, § 1.

## ANNOTATIONS

**The 2023 amendment**, effective February 20, 2023, provided an exception to existing law which prohibits a legislator from appearing for, representing or assisting another person in a matter before a state agency, and prohibited legislators from making direct or indirect threats related to legislative actions in any instance in which the legislator appears for, represents or assists another in a matter before a state agency; in Subsection B, added "Except as provided in Subsection C of this section", after "unless", added "that appearance, representation or assistance is provided"; after "without compensation", deleted "or for the benefit of a constituent, except for legislators who are attorneys or other professional persons engaged in the conduct of their professions and, in those instances, the"; in Subsection C, added "A legislator may appear for, represent or assist another person in a matter before a state agency when the legislator is an attorney or other professional who is making that appearance or

providing that representation or assistance while engaged in the conduct of that legislator's profession. That", after "legislator shall", deleted "refrain from" and added "not", in Paragraph C(1), added "make", and after "scheduling", deleted "from communications on", in Paragraph C(2), added "use", and after "stationery", deleted "and from threats or implications relating to legislative actions" and added "legislative email or any other indicia of the legislator's legislative capacity."; and added Subsection D.

**The 2007 amendment**, effective July 1, 2007, prohibited contracts with a legislator's family or a business in which the legislator's family has a substantial interest; provided that legislators and their families are not eligible for sole source or small purchase contracts; and required persons who negotiate contracts for a state agency to use due diligence to ensure compliance with this section.

**The 1993 amendment**, effective July 1, 1993, inserted "Representation Before State Agencies" in the section heading; designated the undesignated provisions as Subsection A and added Subsection B; and, in Subsection A, substituted the language beginning "has a substantial interest" for "has controlling interest in excess of one thousand dollars (\$1,000) where the legislator has disclosed his controlling interest unless the contract is made after public notice and competitive sealed bidding or competitive sealed proposal in accordance with the provisions of the Procurement Code."

**School districts are "state agencies"** covered by the Conflict of Interest Act [now Governmental Conduct Act]. 1989 Op. Att'y Gen. No. 89-34.

**Contracts with nonprofit organizations.** — The Conflict of Interest Act [now Governmental Conduct Act] does not disqualify or restrict a nonprofit organization's ability to enter into contracts with state agencies managed by a board of directors having as one of its members a state legislator. 1990 Op. Att'y Gen. No. 90-17.

**Contracts with nonprofit organizations.** — New Mexico Const., art. IV, § 28 precludes a nonprofit organization from entering into a contract with the state or a state agency if the organization, within one year of entering the contract, had as a director a member of the legislature and the contract was authorized during that member's term. 1990 Op. Att'y Gen. No. 90-17.

**Legislator is subject to restrictions when he sells products.** — A legislator can sell products to a state agency on an open account or collect-on-delivery basis only under contracts of less than \$1,000.00. In addition, a legislator would remain subject to N.M. Const., art. IV, § 28, so that he could not make any sales during his term or one year afterwards if the sales were authorized by law during his term. 1989 Op. Att'y Gen. No. 89-34.

**Legislator may bid on state contracts**, if there was public notice of the bid and the bidding was competitive. 1967 Op. Att'y Gen. No. 67-133.

**Exceptions to provision prohibiting a state agency from entering into a contract with a legislator.** — Section 10-16-9(A) NMSA 1978 of the Governmental Conduct Act operates to prohibit a state agency from entering into a contract with a legislator or a business owned by a legislator unless the legislator’s ownership interest is disclosed, the contract is awarded in accordance with the provisions of the Procurement Code, and the contract is not a sole source or small purchase contract, and therefore a newly elected legislator who owns, and was previously employed by, a corporation that currently provides services to the state pursuant to contracts and grant agreements would be prohibited from entering into any contract with a state agency unless the legislator discloses the ownership interest, the contract is awarded in accordance with the provisions of the Procurement Code, and the contract is not a sole source or small purchase contract. 2023 Op. Ethics Comm’n No. 2023-01.

**Exceptions to provision prohibiting a legislator from appearing, representing or assisting another person in a matter before a state agency.** — Section 10-16-9(B) NMSA 1978 of the Governmental Conduct Act prohibits a legislator from appearing for, representing, or assisting another person in a matter before a state agency unless the legislator is not receiving compensation, the legislator is acting for the benefit of a constituent, or the legislator is an attorney or another professional person engaged in the conduct of his or her profession, and therefore a newly elected legislator who owns, and was previously employed by, a corporation that currently provides services to the state pursuant to contracts and grant agreements would be prohibited from appearing for, representing, or assisting the corporation before a state agency, because the corporation is not a constituent, any representation or assistance on behalf of the corporation would not be unpaid, and an appearance on behalf of the corporation in a matter before a state agency would not be in the capacity of a professional person engaged in the conduct of their profession. 2023 Op. Ethics Comm’n No. 2023-01.

**Contracts between a state agency and a company owned by a legislator’s family.** — Under Section 10-16-9(A) NMSA 1978 of the Governmental Conduct Act, a state agency can enter into a contract with a legislator’s business or a business owned by a legislator’s family so long as the legislator has disclosed his or her substantial interest, the state agency awards the contract in accordance with the provisions of the Procurement Code, and the state agency does not award the contract as either a sole source or small purchase contract, and therefore a legislator, whose children own and operate a company that has service contracts with state agencies, which were awarded through a competitive process, and whose only financial interest in his children’s company is a rental agreement for storage space, does not have a disclosure requirement, because a rental agreement for storage space is not a “substantial interest” of which the Governmental Conduct Act requires disclosure before a state agency could enter a contract with the company. Additionally, the contracts between the state agencies and the company owned and operated by the legislator’s children are not prohibited, because they were entered into pursuant to a competitive process and consistent with the Procurement Code’s requirements. 2023 Op. Ethics Comm’n No. 2023-02.

**Company owned by legislator may bid on state contracts.** — Unless otherwise prohibited by N.M. Const., art. IV, § 28, a company owned by a legislator may bid on contracts to supply state agencies with materials and supplies under the competitive bid process set forth in the Procurement Code. 1989 Op. Att'y Gen. No. 89-34.

**A legislator's company can bid as general contractor on state construction projects** only if the project was not authorized during, or within one year of, his service in the legislature. If the contract on which the legislator's company bids is one authorized by statutes enacted more than one year before his service in the legislature and is worth more than \$1,000, then he must give public notice of his bid, and the state agency must comply with the special procedures contained in the Conflict of Interest Act [now Governmental Conduct Act]. 1989 Op. Att'y Gen. No. 89-34.

**When business owned by legislator acts as subcontractor.** — If a business owned by a legislator bids on a contract with the state as a subcontractor and is a party to the contract, then the business is subject to the same limitations that apply when it acts as general contractor. If, however, the business only contracts with the general contractor and does not enter into any contract with the state, then the restrictions of this section no longer control. However, even though a subcontractor may not be subject to the Conflict of Interest Act [now Governmental Conduct Act], it still may be indirectly interested in a state contract and subject to the prohibition contained in N.M. Const., art. IV, § 28. 1989 Op. Att'y Gen. No. 89-34.

**A legislator must disclose ownership interest when contracting with state agencies under a purchase agreement.** — Under the Governmental Conduct Act, a state agency may procure services from a construction company that is owned by a legislator and that has been awarded a statewide purchase agreement by the state purchasing agent, provided the legislator discloses the legislator's ownership interest in the construction company. Likewise, the state purchasing agent may award a subsequent price agreement to the legislator's construction company, provided that the legislator discloses the legislator's ownership interest in the construction company to the state purchasing agent when the company submits its bid or proposal. 2021 Op. Ethics Comm'n No. 2021-01.

**A legislator must disclose the legislator's interest when contracting with an independent subdivision of the state, even if the contract is federally funded.** — Subsection 10-16-9(A) NMSA 1978 of the Governmental Conduct Act prohibits state agencies from entering into a contract for services, construction or items of tangible personal property with a legislator, the legislator's family or with a business in which the legislator or the legislator's family has a substantial interest unless the legislator has disclosed the legislator's substantial interest and unless the contract is awarded in accordance with the provisions of the Procurement Code, except the potential contractor shall not be eligible for a sole source or small purchase contract, and therefore a member of the New Mexico house of representatives who has contracted to do federally funded project work through his local soil and water conservation district (SWCD), an independent subdivision of the state authorized by the Soil and Water

Conservation District Act, §§ 73-20-25 to 73-20-48 NMSA 1978, and as such, a "state agency" under the Governmental Conduct Act, must disclose his interest in the contract to the SWCD, and the SWCD must award the contract pursuant to the requirements of the Procurement Code, without resorting to the Procurement Code provisions allowing for the award of sole-source or small-purchase contracts. This subsection's requirements apply even where the SWCD's contract is funded with federal dollars. 2022 Op. Ethics Comm'n No. 2022-01.

**The department of transportation may contract with a legislator's family member as long as the legislator discloses the legislator's interest and otherwise complies with the Governmental Conduct Act.** — Subsection 10-16-9(A) NMSA

1978 of the Governmental Conduct Act prohibits state agencies from entering into contracts for services, construction or items of tangible personal property with a legislator, the legislator's family or with a business in which the legislator or the legislator's family has a substantial interest unless the legislator has disclosed the legislator's substantial interest, the contract is awarded in accordance with the provisions of the Procurement Code, and the contract is not a sole source or small purchase contract, and therefore the department of transportation may enter into a contract for right-of-way fencing with the son of a member of the New Mexico house of representatives, or a fencing and welding business in which the legislator's son has a substantial interest, as long as the legislator has disclosed any substantial interest that the legislator might have in the family member's business, the state agency awards the contract in accordance with the provisions of the Procurement Code, and the state agency does not award the contract to the legislator's son or the son's business as either a sole source or a small purchase contract. 2022 Op. Ethics Comm'n No. 2022-03.

**The Governmental Conduct Act does not prohibit a legislator's family member from bidding on government projects offered by local government agencies.** —

Subsection 10-16-9(A) NMSA 1978 of the Governmental Conduct Act imposes constraints on contracts between a legislator, the legislator's family or with a business in which the legislator or the legislator's family has a substantial interest, but does not impose constraints on contracts between a legislator or the legislator's family members and local government agencies, and therefore the son of a legislator's spouse may bid on projects issued by political subdivisions such as counties, school districts, or other local governments. 2022 Op. Ethics Comm'n No. 2022-03.

**The Governmental Conduct Act does not prohibit a legislator from sitting on the board of a nonprofit organization that receives state contracts.** —

Although a legislator's unpaid membership on the board of directors of a nonprofit organization is not a financial interest subject to disclosure or regulation under the Governmental Conduct Act, a legislator who serves as a volunteer member on the board of directors of a nonprofit organization that assists victims of sexual assault and advocates on their behalf may not use the powers and resources of public office to obtain personal benefits or pursue private interests, must make full disclosure of real or potential conflicts of interest, may be required to recuse from votes that might impact the nonprofit

organization and, when dealing with state agencies on behalf of the nonprofit organization, should avoid making reference to the legislator's official status, except as to matters related to scheduling, avoid communications on legislative stationery, and avoid threats or implications relating to legislative actions. 2021 Op. Ethics Comm'n No. 2021-02.

**The Governmental Conduct Act does not prohibit a business significantly owned by a legislator from applying for and receiving federal CARES relief funds.** — The Governmental Conduct Act does not prohibit a business significantly owned by a legislator from applying for and receiving federal Coronavirus Aid, Relief, and Economic Security Act (CARES) relief funds, because the limitations that this section imposes, does not apply to CARES relief grant awards; a CARES relief grant, a payment of an allocation of federal funds to New Mexico businesses to lessen the impact from the public health orders issued by the secretary of health and related to the coronavirus disease 2019 public health emergency, is not a contract for services, construction, or items of tangible personal property. Subsection B of this section, however, prohibits a legislator from appearing on behalf of a business or otherwise assisting a business in a matter before a state agency, and therefore the application for the CARES relief grant may not be accomplished by a legislator, but may be accomplished by someone other than the legislator who has an interest in the business. 2021 Op. Ethics Comm'n No. 2021-03.

**This section does not prohibit a business owned by a legislator or a legislator's family from applying for "recovery grant" funds.** — This section does not prohibit a business owned by a legislator or a legislator's family from applying for or receiving a recovery grant authorized by the Local Economic Development Act (LEDA) to help New Mexico businesses weather the economic hardship due to the COVID-19 pandemic, because the limitations regarding a legislator's interest in contracts with state agencies do not apply to recovery grants authorized by the LEDA. Recovery grants under the LEDA are not loan contracts, nor are they contracts for services, construction, or items of tangible personal property; rather, they are grant payments by a state agency of an allocation of an appropriation of general fund dollars to private businesses. 2021 Op. Ethics Comm'n No. 2021-08.

**State legislator as employee of private contractor.** — A private entity, either for-profit or nonprofit, that has a state legislator within its organization may enter into a contract with the state provided that the contracting process is conducted in accordance with constitutional and statutory requirements. 2003 Op. Att'y Gen. No. 03-01.

A legislator who complies with legislative rules is entitled to receive his legislative per diem. His private sector employer is free to determine whether it should also compensate him for that day's work. 2003 Op. Att'y Gen. No. 03-01.

**Public defenders.** — New Mexico Const., art. IV, § 28 would prohibit contract between public defender department and legislator if the legislator was in office in 1968 when the

original Indigent Defense Act was passed, regardless of whether public notice and competitive bidding are used. 1979 Op. Att'y Gen. No. 79-23.

**Public defenders.** — The public defender's office may not award state representatives professional service contracts unless solicitation for competitive bids is done, in accordance with the Procurement Code. 1987 Op. Att'y Gen. No. 87-67.

**Legislator is not prevented from serving as member of peanut commission** by this section. 1979 Op. Att'y Gen. No. 79-34.

**Conflict of interest is not affected if bond proceeds involved.** — Any potential conflict of interest is not affected if a contract or project is funded with local bond proceeds rather than state money. 1989 Op. Att'y Gen. No. 89-34.

**Damages.** — A legislator and other directors of a nonprofit organization may be found liable for damages for breach of fiduciary duty if they intentionally enter into a contract which is invalid under N.M. Const., art. IV, § 28. 1990 Op. Att'y Gen. No. 90-17.

**Propriety of vote or abstention.** — A legislator should follow Chapter 10, Article 16 NMSA 1978 and his legislative body's code of ethics in deciding when it is proper to vote or abstain on a matter in front of the body. 2003 Op. Att'y Gen. No. 03-01.

## **10-16-10. Repealed.**

### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 46, § 58 repealed 10-16-10 NMSA 1978, as enacted by Laws 1967, ch. 306, § 10, relating to disclosures, effective July 1, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

## **10-16-11. Codes of conduct.**

A. Each elected statewide executive branch public officer shall adopt a general code of conduct for employees subject to the officer's control. The New Mexico legislative council shall adopt a general code of conduct for all legislative branch employees. The general codes of conduct shall be based on the principles set forth in the Governmental Conduct Act.

B. Within thirty days after the general codes of conduct are adopted, they shall be given to and reviewed with all executive and legislative branch officers and employees. All new public officers and employees of the executive and legislative branches shall review the employees' general code of conduct prior to or at the time of being hired.

C. The head of every executive and legislative agency and institution of the state may draft a separate code of conduct for all public officers and employees in that agency or institution. The separate agency code of conduct shall prescribe standards,

in addition to those set forth in the Governmental Conduct Act and the general codes of conduct for all executive and legislative branch public officers and employees, that are peculiar and appropriate to the function and purpose for which the agency or institution was created or exists. The separate codes, upon approval of the responsible executive branch public officer for executive branch public officers and employees or the New Mexico legislative council for legislative branch employees, govern the conduct of the public officers and employees of that agency or institution and, except for those public officers and employees removable only by impeachment, shall, if violated, constitute cause for dismissal, demotion or suspension. The head of each executive and legislative branch agency shall adopt ongoing education programs to advise public officers and employees about the codes of conduct. All codes shall be filed with the state ethics commission and are open to public inspection.

D. Codes of conduct shall be reviewed at least once every four years. An amended code shall be filed as provided in Subsection C of this section.

E. All legislators shall attend a minimum of two hours of ethics continuing education and training developed and provided, in consultation with the director of the legislative council service, by the state ethics commission or a national state legislative organization of which the state is a member, approved by the director, biennially.

**History:** 1953 Comp., § 5-12-11, enacted by Laws 1967, ch. 306, § 11; 1969, ch. 93, § 1; 1993, ch. 46, § 34; 2003, ch. 33, § 1; 2019, ch. 86, 23.

## ANNOTATIONS

**The 2019 amendment**, effective January 1, 2020, required codes of conduct to be filed with the state ethics commission, and required that the ethics continuing education and training that each legislator must attend biennially be developed by the state ethics commission or a national state legislative organization and approved by the director of the legislative council service; in Subsection A, deleted "By January 1, 1994"; in Subsection C, after "All codes shall be filed with the", deleted "secretary of", and after "state", added "ethics commission"; and in Subsection E, after "education and training", added "developed and provided, in consultation with the director of the legislative council service, by the state ethics commission or a national state legislative organization of which the state is a member, approved by the director".

**The 2003 amendment**, effective June 20, 2003, in Subsection E, substituted "two hours" for "one hour" following "attend a minimum of" near the middle and substituted "biennially" for "annually" at the end.

**The 1993 amendment**, effective July 1, 1993, rewrote this section to the extent that a detailed comparison is impracticable.



**School districts not affected.** — School districts do not come within this provision of the Conflict of Interest Act [now Governmental Conduct Act]. 1969 Op. Att'y Gen. No. 69-19.

### **10-16-11.1. State agency or local government agency authority.**

Nothing in the Governmental Conduct Act shall be construed to preclude a state agency or local government agency from adopting and publishing ordinances, rules or standards that are more stringent than those required by the Governmental Conduct Act.

**History:** Laws 2011, ch. 138, § 13.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2011, ch. 138, § 15 made Laws 2011, ch. 138, § 1 effective July 1, 2011.

### **10-16-12. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 46, § 58 repealed 10-16-12 NMSA 1978, as enacted by Laws 1967, ch. 306, § 12, relating to disclosure for person on retainer or contract, effective July 1, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

### **10-16-13. Prohibited bidding.**

No state agency or local government agency shall accept a bid or proposal from a person who directly participated in the preparation of specifications, qualifications or evaluation criteria on which the specific competitive bid or proposal was based. A person accepting a bid or proposal on behalf of a state agency or local government agency shall exercise due diligence to ensure compliance with this section.

**History:** 1953 Comp., § 5-12-13, enacted by Laws 1967, ch. 306, § 13; 2007, ch. 362, § 7; 2011, ch. 138, § 10.

#### **ANNOTATIONS**

**The 2011 amendment,** effective July 1, 2011, prohibited local government agencies from accepting bids from persons who participated in the preparation of the specifications, qualifications or evaluation criteria of the bid.

**The 2007 amendment,** effective July 1, 2007, prohibited political subdivisions from accepting bids or proposals from a person who participated in the preparation of

qualifications or evaluation criteria and requires persons who accepts bids or proposals for a state agency or political subdivision to use due diligence to ensure compliance with this section.

**Village trustee must recuse herself from transactions between the village and the business owned by the trustee.** — Where a village trustee owns an RV park, adjacent to which is a piece of property owned by the village, and where, for many years, the RV park has used the parcel of village property as an extension of the RV park, and where the trustee has expressed an interest in purchasing the parcel, this section would require the trustee to recuse herself from all aspects of the land sale or lease transaction, including board of trustee discussions regarding the sale or lease of the property and any vote to direct or to approve a land sale or lease transaction between the village and the trustee. 2023 Op. Ethics Comm'n No. 2023-05.

**School district not state agency.** — "State agency" as used in the Conflict of Interest Act [now Governmental Conduct Act] does not apply to school districts. 1969 Op. Att'y Gen. No. 69-19.

**Section not violated.** — If the state purchasing agent secures free technical assistance from a supplier in order to aid in preparing specifications, this act is not violated. 1967 Op. Att'y Gen. No. 67-118.

**Scope of "person".** — "Person" as used in this section includes any person, corporation, partnership or other legal entity. 1967 Op. Att'y Gen. No. 67-118.

### **10-16-13.1. Education and voluntary compliance.**

A. The state ethics commission shall advise and seek to educate all persons required to perform duties under the Governmental Conduct Act of those duties. This includes advising all those persons at least annually of that act's ethical principles.

B. The state ethics commission shall seek first to ensure voluntary compliance with the provisions of the Governmental Conduct Act. A person who violates that act unintentionally or for good cause shall be given ten days' notice to correct the matter. Referrals for civil enforcement of that act shall be pursued only after efforts to secure voluntary compliance with that act have failed.

**History:** 1978 Comp., § 10-16-13.1, enacted by Laws 1993, ch. 46, § 35; 2019, ch. 86, § 24.

### **ANNOTATIONS**

**The 2019 amendment,** effective January 1, 2020, removed from the secretary of state, and provided the state ethics commission with, the duty of advising and seeking to educate all persons required to perform duties under the Governmental Conduct Act and the duty of seeking to ensure voluntary compliance with the provisions of the

Governmental Conduct Act; and in Subsections A and B, after "The", deleted "secretary of", and after "state", added "ethics commission".

### **10-16-13.2. Certain business sales to the employees of state agencies and local government agencies prohibited.**

A. A public officer or employee shall not sell, offer to sell, coerce the sale of or be a party to a transaction to sell goods, services, construction or items of tangible personal property directly or indirectly through the public officer's or employee's family or a business in which the public officer or employee has a substantial interest, to an employee supervised by the public officer or employee. A public officer or employee shall not receive a commission or shall not profit from the sale or a transaction to sell goods, services, construction or items of tangible personal property to an employee supervised by the public officer or employee. The provisions of this subsection shall not apply if the supervised employee initiates the sale. It is not a violation of this subsection if a public officer or employee, in good faith, is not aware that the employee to whom the goods, services, construction or items of tangible personal property are being sold is under the supervision of the public officer or employee.

B. A public officer or employee shall not sell, offer to sell, coerce the sale of or be a party to a transaction to sell goods, services, construction or items of tangible personal property, directly or indirectly through the public officer's or employee's family or a business in which the public officer or employee has a substantial interest, to a person over whom the public officer or employee has regulatory authority.

C. A public officer or employee shall not receive a commission or profit from the sale or a transaction to sell goods, services, construction or items of tangible personal property to a person over whom the public officer or employee has regulatory authority.

D. A public officer or employee shall not accept from a person over whom the public officer or employee has regulatory authority an offer of employment or an offer of a contract in which the public officer or employee provides goods, services, construction, items of tangible personal property or other things of value to the person over whom the public officer or employee has regulatory authority.

**History:** Laws 2007, ch. 362, § 8; 2011, ch. 138, § 11.

#### **ANNOTATIONS**

**The 2011 amendment**, effective July 1, 2011, eliminated the provision that prohibits public officers and employees from purchasing good and services from their family or business in which they have a substantial interest and eliminated the exceptions to the prohibition.

### **10-16-13.3. Prohibited contributions; financial service contractors.**

A. A business that contracts with a state agency or local government agency to provide financial services involving the investment of public money or issuance of bonds for public projects shall not knowingly contribute anything of value to a public officer or employee of that state agency or local government agency who has authority over the investment of public money or issuance of bonds, the revenue of which is used for public projects in the state.

B. A public officer or employee of a state agency or local government agency that has authority over the investment of public money or issuance of bonds, the revenue of which is used for public projects in the state, shall not knowingly accept a contribution of anything of value from a business that contracts with that state agency or local government agency to provide financial services involving the investment of public money or issuance of bonds for public projects.

C. For the purposes of this section:

(1) "anything of value" means any money, property, service, loan or promise, but does not include food and refreshments with a value of less than one hundred dollars (\$100) consumed in a day; and

(2) "contribution" means a donation or transfer to a recipient for the personal use of the recipient, without commensurate consideration.

**History:** Laws 2007, ch. 362, § 11; 2011, ch. 138, § 12.

## **ANNOTATIONS**

**The 2011 amendment**, effective July 1, 2011, prohibited contribution by business to public officers and employees of local government agencies and the acceptance of contributions by such officers and employees.

**Bond attorneys.** — Subsection A of Section 10-16-3.3 NMSA 1978, which limits contributions to state officers and employees by businesses that provide financial services, does not apply to attorneys who provide legal services to the state in connection with its bond offerings. 2007 Op. Att'y Gen. No. 07-04.

### **10-16-14. Enforcement procedures.**

A. The state ethics commission may investigate suspected violations of the Governmental Conduct Act and forward its findings and evidence to the attorney general, district attorney or appropriate state agency or legislative body for enforcement. If a suspected violation involves the office of the state ethics commission, the attorney general may enforce that act. If a suspected violation involves the office of the attorney general, a district attorney may enforce that act.

B. Violation of the provisions of the Governmental Conduct Act by any legislator is grounds for discipline by the appropriate legislative body.

C. If the state ethics commission determines that there is sufficient cause to file a complaint to remove from office a public officer removable only by impeachment, the commission shall refer the matter to the house of representatives of the legislature. If within thirty days after the referral the house of representatives has neither formally declared that the charges contained in the complaint are not substantial nor instituted hearings on the complaint, the state ethics commission shall make public the nature of the charges but shall make clear that the merits of the charges have never been determined. Days during which the legislature is not in session shall not be included in determining the thirty-day period.

D. Violation of the provisions of the Governmental Conduct Act by any public officer or employee, other than those covered by Subsection C of this section, is grounds for discipline, including dismissal, demotion or suspension. Complaints against executive branch employees may be filed with the agency head and reviewed pursuant to the procedures provided in the Personnel Act. Complaints against legislative branch employees may be filed with and reviewed pursuant to procedures adopted by the New Mexico legislative council. Complaints against judicial branch employees may be filed and reviewed pursuant to the procedures provided in the judicial personnel rules. Complaints against employees subject to the State Ethics Commission Act [Chapter 10, Article 16G NMSA 1978] may also be filed with the state ethics commission, which shall determine whether to forward a complaint to the appropriate state agency or investigate the complaint on its own.

E. Subject to the provisions of this section, the provisions of the Governmental Conduct Act may be enforced by the state ethics commission. Except as regards legislators, state employees or statewide elected officials, a district attorney in the county where a person who allegedly violated the provisions resides or where an alleged violation occurred may also enforce that act. Enforcement actions may include seeking civil injunctive or other appropriate orders.

**History:** 1953 Comp., § 5-12-14, enacted by Laws 1967, ch. 306, § 14; 1993, ch. 46, § 36; 2019, ch. 86, § 25.

## ANNOTATIONS

**The 2019 amendment**, effective January 1, 2020, provided the state ethics commission with the authority to investigate suspected violations of the Governmental Conduct Act and forward its findings to the appropriate agency for enforcement, provided the state ethics commission with the duty to refer certain complaints to the house of representatives of the legislature, provided that complaints against employees subject to the State Ethics Commission Act may also be filed with the state ethics commission, and provided that the provisions of the Governmental Conduct Act may be enforced by the state ethics commission; in Subsection A, after "The", deleted "secretary of", after

"state", added "ethics commission", after "may", deleted "refer" and added "investigate", after "Governmental Conduct Act", added "and forward its findings and evidence", after "involves the office of the", deleted "secretary of", and after "state", added "ethics commission"; in Subsection C, after "If the", deleted "attorney general" and added "state ethics commission", after "file a complaint", deleted "against" and added "to remove from office", after "hearings on the complaint", deleted "attorney general" and added "state ethics commission"; in Subsection D, added the last sentence; and in Subsection E, after "may be enforced by the", deleted "attorney general" and added "state ethics commission", after "regards legislators", added "state employees", and after "county where a person", added "who allegedly violated the provisions", and after "resides or where", deleted "a" and added "an alleged".

**The 1993 amendment**, effective July 1, 1993, added Subsections A and B and redesignated former Subsections A and B as Subsections C and D; substituted "a public officer" for "a legislator or an employee" in the first sentence of Subsection C; rewrote the first sentence of Subsection D, which read "Violation of the provisions of the Conflict of Interest Act by any employee, other than those covered by Subsection A of this section, is grounds for dismissal, demotion or suspension"; added the second and third sentences in Subsection D; added Subsection E; and made minor stylistic changes in Subsection C.

## **10-16-15. Repealed.**

### **ANNOTATIONS**

**Repeals.** — Laws 1993, ch. 46, § 58 repealed 10-16-15 NMSA 1978, as enacted by Laws 1967, ch. 306, § 15, relating to standing in court, effective July 1, 1993. For provisions of former section, see the 1992 NMSA 1978 on *NMOneSource.com*.

## **10-16-16. Recompiled.**

### **ANNOTATIONS**

**Recompilations.** — Laws 1997, ch. 112, § 10 recompiled 10-16-16 NMSA 1978, relating to medicaid and department of human services employees, as 27-2-12.7 NMSA 1978, effective June 20, 1997.

## **10-16-17. Criminal penalties.**

Unless specified otherwise in the Governmental Conduct Act, any person who knowingly and willfully violates any of the provisions of that act is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than one year or both. Nothing in the Governmental Conduct Act shall preclude criminal prosecution for bribery or other provisions of law set forth in the constitution of New Mexico or by statute.

**History:** Laws 1993, ch. 46, § 37.

## ANNOTATIONS

**The legislature intended NMSA 1978, § 10-16-3(A)-(C) to be applied as ethical principles excepted from the scope of this section.** — In consolidated cases, where petitioners were each charged under two or three subsections of the Governmental Conduct Act, and where the district court dismissed the charges in all four cases on different grounds, the district courts did not err in dismissing charges under 10-16-3 NMSA 1978, Subsections (A) through (C), because the plain language of Subsections (A) through (C) demonstrate a legislative intent that these subsections be applied as ethical principles rather than as criminal statutes within the scope of 10-16-17 NMSA 1978. Each relevant subsection communicates a general goal or proscription without specifying a wrongful deed or forbidden act. *State v. Gutierrez*, 2023-NMSC-002, *rev'g* 2020-NMCA-045, 472 P.3d 1260.

**Legislative intent for willful and knowing violations.** — The plain meaning of § 10-16-3 NMSA 1978 and § 10-16-17 NMSA 1978 indicates a legislative intent to provide for a misdemeanor penalty for a knowing and willful violation of the provisions of §§ 10-16-3(A) through § 10-16-3(C) NMSA 1978. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

In four separate cases, consolidated for appeal, where each case arose from an allegation of misconduct by a government official, and where the district court in each case dismissed the charges against the defendants, finding that violations of §§ 10-16-3(A) through § 10-16-3(C) NMSA 1978 were not crimes but ethical considerations and therefore the indictments failed to allege the commission of a criminal offense, or that even if Subsections A through C provided for criminal offenses, they were nevertheless void for vagueness, the district courts' dismissals of the counts charging defendants under Subsection A were improper because the plain meaning of § 10-16-3 NMSA 1978 and § 10-16-17 NMSA 1978 indicates a legislative intent to provide for a misdemeanor penalty for a knowing and willful violation of Subsection A, but the dismissals of the counts charging defendants under Subsections B through C were proper because those subsections fail to provide persons of ordinary intelligence a fair opportunity to determine whether their conduct is prohibited. *State v. Gutierrez*, 2020-NMCA-045, cert. granted.

### **10-16-18. Enforcement; civil penalties.**

A. If the state ethics commission reasonably believes that a person committed, or is about to commit, a violation of the Governmental Conduct Act, the state ethics commission may refer the matter to the attorney general or a district attorney for enforcement.

B. The state ethics commission may institute a civil action in district court or refer a matter to the attorney general or a district attorney to institute a civil action in district

court if a violation has occurred or to prevent a violation of any provision of the Governmental Conduct Act. Relief may include a permanent or temporary injunction, a restraining order or any other appropriate order, including an order for a civil penalty of two hundred fifty dollars (\$250) for each violation not to exceed five thousand dollars (\$5,000).

**History:** Laws 1995, ch. 153, § 23; 2019, ch. 86, § 26.

### **ANNOTATIONS**

**The 2019 amendment**, effective January 1, 2020, authorized the state ethics commission to refer violations of the Governmental Conduct Act to the attorney general or a district attorney for enforcement; and provided the state ethics commission with the authority to institute a civil action in district court regarding violations of the Governmental Conduct Act; in Subsection A, after "If the", deleted "secretary of", after "state", added "ethics commission", after "Governmental Conduct Act, the", deleted "secretary of", and after "state", deleted "shall" and added "ethics commission may"; and in Subsection B, after "The", added "state ethics commission may institute a civil action in district court or refer a matter to the".

## **ARTICLE 16A**

### **Financial Disclosures**

#### **10-16A-1. Short title; Financial Disclosure Act.**

Chapter 10, Article 16A NMSA 1978 may be cited as the "Financial Disclosure Act".

**History:** Laws 1993, ch. 46, § 39; 2019, ch. 86, § 27.

### **ANNOTATIONS**

**The 2019 amendment**, effective January 1, 2020, changed "Section 39 through 45 of this act" to "Chapter 10, Article 16A NMSA 1978".

#### **10-16A-2. Definitions.**

As used in the Financial Disclosure Act:

A. "business" means a corporation, partnership, sole proprietorship, firm, organization or individual carrying on a business;

B. "employment" means rendering of services for compensation in the form of salary as an employee;

C. "financial interest" means an interest held by an individual or his spouse that is:



- (1) an ownership interest in business; or
- (2) any employment or prospective employment for which negotiations have already begun;

D. "official act" means an official decision, recommendation, approval, disapproval or other action that involves the use of discretionary authority;

E. "person" means an individual or entity; and

F. "public officer or employee" means any person who has been elected to, appointed to or hired for any state office and who receives compensation in the form of salary or is eligible for per diem or mileage, but excludes legislators and judges.

**History:** Laws 1993, ch. 46, § 40.

### **10-16A-3. Required disclosures for certain candidates and public officers and employees; condition for placement on ballot or appointment.**

A. A person holding a legislative or statewide office shall file with the secretary of state a financial disclosure statement during the month of January every year that the person holds public office.

B. A candidate for legislative or statewide office who has not already filed a financial disclosure statement with the secretary of state in the same calendar year shall file with the proper filing officer, as defined in the Election Code [Chapter 1 NMSA 1978], a financial disclosure statement at the time of filing a declaration of candidacy. If the proper filing officer is not the secretary of state, the proper filing officer shall forward a copy of the financial disclosure statement to the secretary of state within three days.

C. A state agency head, an official whose appointment to a board or commission is subject to confirmation by the senate, a member of the insurance nominating committee or a member of the state ethics commission shall file with the secretary of state a financial disclosure statement within thirty days of appointment and during the month of January every year thereafter that the person holds public office.

D. The financial disclosure statement shall include for any person identified in Subsection A, B or C of this section and the person's spouse the following information for the prior calendar year:

- (1) the full name, mailing address and residence address of each person covered in the disclosure statement, except the address of the spouse need not be disclosed; the name and address of the person's and spouse's employer and the title or position held; and a brief description of the nature of the business or occupation;

(2) all sources of gross income of more than five thousand dollars (\$5,000) to each person covered in the disclosure statement, identified by general category descriptions that disclose the nature of the income source, in the following broad categories: law practice or consulting operation or similar business, finance and banking, farming and ranching, medicine and health care, insurance (as a business and not as payment on an insurance claim), oil and gas, transportation, utilities, general stock market holdings, bonds, government, education, manufacturing, real estate, consumer goods sales with a general description of the consumer goods and the category "other", with direction that the income source be similarly described. In describing a law practice, consulting operation or similar business of the person or spouse, the major areas of specialization or income sources shall be described, and if the spouse or a person in the reporting person's or spouse's law firm, consulting operation or similar business is or was during the reporting calendar year or the prior calendar year a registered lobbyist under the Lobbyist Regulation Act [Chapter 2, Article 11 NMSA 1978], the names and addresses of all clients represented for lobbying purposes during those two years shall be disclosed;

(3) a general description of the type of real estate owned in New Mexico, other than a personal residence, and the county where it is located;

(4) all other New Mexico business interests not otherwise listed of ten thousand dollars (\$10,000) or more in a New Mexico business or entity, including any position held and a general statement of purpose of the business or entity;

(5) all memberships held by the reporting individual and the individual's spouse on boards of for-profit businesses in New Mexico;

(6) all New Mexico professional licenses held;

(7) each state agency that was sold goods or services in excess of five thousand dollars (\$5,000) during the prior calendar year by a person covered in the disclosure statement; and

(8) each state agency, other than a court, before which a person covered in the disclosure statement represented or assisted clients in the course of the person's employment during the prior calendar year.

E. A complete financial disclosure statement shall be filed every year. The secretary of state shall deliver to each elected official required to file a financial disclosure statement a copy of any statement the person filed the previous year.

F. The financial disclosure statements filed pursuant to this section are public records open to public inspection during regular office hours and shall be retained by the state for five years from the date of filing.

G. A person who files a financial disclosure statement may file an amended statement at any time to reflect significant changed circumstances that occurred since the last statement was filed.

H. A person who files to be a candidate for a legislative or statewide office who fails or refuses to file a financial disclosure statement required by this section before the final date for qualification of the person as a candidate as provided for in the Election Code shall not be qualified by the proper filing officer as a candidate.

I. For a state agency head, an official whose appointment to a board or commission is subject to confirmation by the senate, a member of the insurance nominating committee or a member of the state ethics commission, the filing of the financial disclosure statement required by this section is a condition of entering upon and continuing in state employment or holding an appointed position.

**History:** Laws 1993, ch. 46, § 41; 1995, ch. 153, § 24; 1997, ch. 112, § 8; 2015, ch. 11, § 1; 2019, ch. 212, § 214; 2021, ch. 109, § 12.

## ANNOTATIONS

**The 2021 amendment**, effective July 1, 2021, included members of the state ethics commission in an existing provision requiring certain state officials to file with the secretary of state a financial disclosure statement within thirty days of appointment and during the month of January every year thereafter that the person holds office, and included members of the state ethics commission in an existing provision that provides that the filing of the financial disclosure statement is a condition of entering upon and continuing in state employment or holding an appointed position; and after each occurrence of "member of the insurance nominating committee", added "or a member of the state ethics commission".

**The 2019 amendment**, effective April 3, 2019, revised the provisions related to financial disclosures for certain candidates and public officers; in Subsection A, after the subsection designation, deleted "At the time of filing a declaration of candidacy or nominating petition" and added the remainder of the subsection; added new subsection designation "B." and redesignated former Subsections B through H as Subsections C through I, respectively; in Subsection B, after "statewide office", added "who has not already filed a financial disclosure statement with the secretary of state in the same calendar year", after "as defined in", deleted "Section 1-8-25 NMSA 1978" and added "the Election Code", after the next occurrence of "financial disclosure statement", deleted "on a prescribed form. In addition, each year thereafter during the month of January, a legislator and a person holding a statewide office shall file with the proper filing officer a financial disclosure statement" and added "at the time of filing a declaration of candidacy", and after "secretary of state within", deleted "seventy-two hours" and added "three days"; in Subsection D, in the introductory clause, after "Subsection A,", deleted "or" and after "B", added "or C", and deleted former Paragraph D(9); in Subsection E, after "state shall", deleted "mail" and added "deliver to"; and in

Subsection H, after "A", added "person who files to be a", after "final date for", deleted "the withdrawal of candidates" and added "qualification of the person as a candidate as", and after "Election Code shall not", deleted "have the candidate's name printed on the election ballot" and added "be qualified by the proper filing officer as a candidate".

**The 2015 amendment**, effective June 19, 2015, provided for required financial disclosure statements from members of the insurance nominating committee; in Subsection B, after "agency head,", deleted "or" and added "an", after "senate", added "or a member of the insurance nominating committee", and after "thereafter that", deleted "he" and added "the person"; in Subsection C, Paragraph (5), after "individual and", deleted "his" and added "the individual's"; in Subsection C, Paragraph (8), after "course of", deleted "his" and added "the person's"; in Subsection G, deleted "Any" preceding "candidate" and added "A", and after "shall not have", deleted "his" and added "the candidate's"; and in Subsection H, after "agency head", deleted "or", and after "senate", added "or a member of the insurance nominating committee".

**The 1997 amendment**, effective June 20, 1997, in the second sentence of Subsection D, changed "mail each person" to "mail each elected official".

**The 1995 amendment**, effective June 1, 1995, in Subsection A, inserted "or nominating petition" and "on a prescribed form" in the first sentence, deleted the language beginning with "or a subsequent" and ending with "this section" in the second sentence, and substituted "within seventy-two hours" for "promptly" in the last sentence; at the end of Subsection B, added "that he holds public office"; in Subsection C(2), inserted "law practice or consulting operation or similar business" following "categories:"; rewrote Subsection D; in Subsection F, substituted "statement" for "report"; in Subsection G, inserted "provided for in the Election Code"; and made stylistic changes throughout the section.

**"State agency" and "state agency head" construed.** — Under the Financial Disclosure Act, a "state agency" is a state entity that has the legally authorized powers to alter the rights, duties, or privileges of others and that receives public funding, and a "state agency head" is the person or persons who are ultimately responsible for exercising the powers of a state agency's official acts or for expending the agency's appropriated funds. 2021 Op. Ethics Comm'n No. 2021-10.

**A state employee who also receives a monthly salary from a political campaign committee does not necessarily violate state ethics laws.** — Although the Gift Act, 10-16B-1 to 10-16B-4 NMSA 1978, the Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, the Financial Disclosure Act, 10-16A-1 to 10-16A-8 NMSA 1978, the Campaign Reporting Act, 1-19-25 to 1-19-36 NMSA 1978, and the State Ethics Commission Act, Chapter 10, Article 16G NMSA 1978, impose certain duties on state employees and regulate certain state employees' conduct, the limited set of facts presented in this request, that a state employee, while employed and performing regular public duties, is also receiving a monthly salary from a political campaign committee or

political organization, do not establish a violation of any of the foregoing statutes. 2020 Op. Ethics Comm'n No. 2020-01.

#### **10-16A-4. Disclosures by certain public officers or employees of state agencies; condition of employment.**

A. Every employee who is not otherwise required to file a financial disclosure statement under the Financial Disclosure Act and who has a financial interest that he believes or has reason to believe may be affected by his official act or actions of the state agency by which he is employed shall disclose the nature and extent of that interest. The disclosures shall be made in writing to the secretary of state before entering state employment and during the month of January every year thereafter.

B. Every public officer who is not otherwise required to file a financial disclosure statement under the Financial Disclosure Act and who has a financial interest that he believes or has reason to believe may be affected by his official act or actions of the board or commission to which he is appointed shall disclose the nature and extent of that interest. The disclosures shall be made in writing to the secretary of state before taking office and during the month of January every year thereafter.

C. The information on the disclosures shall be made available by the secretary of state for inspection to any citizen of this state.

D. The filing of disclosures pursuant to this section is a condition of entering upon and continuing in state employment or, for persons subject to Subsection B of this section, of holding public office.

**History:** Laws 1993, ch. 46, § 42.

#### **ANNOTATIONS**

**A state employee who also receives a monthly salary from a political campaign committee does not necessarily violate state ethics laws.** — Although the Gift Act, 10-16B-1 to 10-16B-4 NMSA 1978, the Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, the Financial Disclosure Act, 10-16A-1 to 10-16A-8 NMSA 1978, the Campaign Reporting Act, 1-19-25 to 1-19-36 NMSA 1978, and the State Ethics Commission Act, Chapter 10, Article 16G NMSA 1978, impose certain duties on state employees and regulate certain state employees' conduct, the limited set of facts presented in this request, that a state employee, while employed and performing regular public duties, is also receiving a monthly salary from a political campaign committee or political organization, do not establish a violation of any of the foregoing statutes. 2020 Op. Ethics Comm'n No. 2020-01.

#### **10-16A-5. Education and voluntary compliance.**

A. The secretary of state shall advise and seek to educate all persons required to perform duties under the Financial Disclosure Act of those duties. This includes providing timely advance notice of the required financial disclosure statement and preparing forms that are clear and easy to complete.

B. The secretary of state shall seek first to ensure voluntary compliance with the provisions of the Financial Disclosure Act. A person who violates that act unintentionally or for good cause shall be given ten days' notice to correct the matter before fines are imposed. Referrals to the state ethics commission for civil enforcement of the Financial Disclosure Act shall be pursued only after efforts to secure voluntary compliance with that act have failed.

**History:** Laws 1993, ch. 46, § 43; 2019, ch. 86, § 28.

### **ANNOTATIONS**

**The 2019 amendment**, effective January 1, 2020, provided that referrals of violations of the Financial Disclosure Act shall be made to the state ethics commission; and in Subsection B, added "to the state ethics commission".

### **10-16A-6. Investigations; fines; enforcement.**

A. The state ethics commission may conduct thorough examinations of statements and initiate investigations to determine whether the Financial Disclosure Act has been violated. Any person who believes that act has been violated may file a written complaint with the state ethics commission. The commission shall adopt procedures for processing complaints and notifications of violations.

B. If the state ethics commission determines that a violation has occurred for which a penalty should be imposed, the commission shall so notify the person charged and impose the penalty.

C. Any person who files a statement or report after the deadline imposed by the Financial Disclosure Act is liable for and shall pay to the secretary of state, at or from the time initially required for the filing, fifty dollars (\$50.00) per day for each regular working day after the time required for the filing of the statement or report until the complete report is filed, up to a maximum of five thousand dollars (\$5,000).

D. The secretary of state may refer a matter to the state ethics commission, attorney general or a district attorney for a civil injunctive or other appropriate order or enforcement.

**History:** Laws 1993, ch. 46, § 44; 1997, ch. 112, § 9; 2019, ch. 86, § 29; 2021, ch. 109, § 13.

### **ANNOTATIONS**

**The 2021 amendment**, effective July 1, 2021, revised administrative and enforcement duties of the state ethics commission and the secretary of state under the Financial Disclosure Act, and removed provisions related to binding arbitration following a notice that a violation has occurred for which a penalty should be imposed; in the section heading, deleted "binding arbitration"; in Subsection A, after "The state ethics commission", deleted "and the secretary of state"; in Subsection B, after "impose the penalty", deleted "If the person charged disputes the commission's determination, the person charged may request binding arbitration"; deleted former Subsections C and D and redesignated former Subsections E and F as Subsection C and D, respectively; and in Subsection C, after "Financial Disclosure Act" deleted "or any person who files a false or incomplete statement or report".

**The 2019 amendment**, effective January 1, 2020, provided the state ethics commission, along with the secretary of state, the authority to initiate investigations to determine whether the Financial Disclosure Act has been violated, provided that complaints may be filed with the state ethics commission, and required the state ethics commission to adopt procedures for processing complaints and notifications of violations, and provided to the state ethics commission the procedures to follow when a violation of the Financial Disclosure Act has occurred; in Subsection A, after "The", added "state ethics commission and the", after "written complaint with the", deleted "secretary of", after "state", added "ethics commission", and after the next occurrence of "The", deleted "secretary of state" and added "commission"; in Subsection B, replaced each occurrence of "secretary" with "ethics commission" or "commission"; in Subsection C, after "provided by the", deleted "secretary of", and after "state", added "ethics commission"; in Subsection D, replaced each occurrence of "secretary" with "ethics commission"; and in Subsection F, after "a matter to the", added "state ethics commission".

**The 1997 amendment**, effective June 20, 1997, rewrote Subsections C and D.

### **10-16A-7. Criminal penalties.**

Any person who knowingly and willfully violates any of the provisions of the Financial Disclosure Act is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than one year or both.

**History:** Laws 1993, ch. 46, § 45.

### **ANNOTATIONS**

**Severability.** — Laws 1993, ch. 46, § 59 provided for the severability of the act if any part or application thereof is held invalid.

### **10-16A-8. Enforcement; civil penalties.**

A. If the state ethics commission reasonably believes that a person committed, or is about to commit, a violation of the Financial Disclosure Act, the commission may refer the matter to the attorney general or a district attorney for enforcement.

B. The state ethics commission may institute a civil action in district court or refer a matter to the attorney general or a district attorney to institute a civil action in district court if a violation has occurred or to prevent a violation of any provision of the Financial Disclosure Act. Relief may include a permanent or temporary injunction, a restraining order or any other appropriate order, including an order for a civil penalty of two hundred fifty dollars (\$250) for each violation not to exceed five thousand dollars (\$5,000).

**History:** Laws 1995, ch. 153, § 25; 2019, ch. 86, § 30.

### **ANNOTATIONS**

**The 2019 amendment**, effective January 1, 2020, authorized the state ethics commission to refer alleged violations of the Financial Disclosure Act to the attorney general or a district attorney for enforcement, and authorized the state ethics commission to institute a civil action or refer a matter to the attorney general or a district attorney to institute a civil action if a violation of the Financial Disclosure Act has occurred; in Subsection A, replaced each occurrence of "secretary of state" with "state ethics commission"; and in Subsection B, added "state ethics commission may institute a civil action in district court or refer a matter to the".

#### **10-16A-9. Rulemaking authority.**

The secretary of state may promulgate rules to implement the provisions of the Financial Disclosure Act. In promulgating the rules, the secretary of state shall comply with the provisions of the State Rules Act [Chapter 14, Article 4 NMSA 1978].

**History:** Laws 2021, ch. 109, § 21.

### **ANNOTATIONS**

**Effective dates.** — Laws 2021, ch. 109, § 23 made Laws 2021, ch. 109, § 21 effective July 1, 2021.

## **ARTICLE 16B**

### **Gift Act**

#### **10-16B-1. Short title.**

Chapter 10, Article 16B NMSA 1978 may be cited as the "Gift Act".



**History:** Laws 2007, ch. 226, § 1; 2019, ch. 86, § 31.

## **ANNOTATIONS**

**The 2019 amendment**, effective January 1, 2020, changed "This act" to "Chapter 10, Article 16B NMSA 1978".

### **10-16B-2. Definitions.**

As used in the Gift Act:

A. "family" means a spouse and dependent children;

B. "gift" means any donation or transfer without commensurate consideration of money, property, service, loan, promise or any other thing of value, including food, lodging, transportation and tickets for entertainment or sporting events, but does not include:

(1) any activity, including but not limited to the acceptance of a donation, transfer or contribution, or the making of an expenditure or reimbursement, that is authorized by the Campaign Reporting Act [1-19-25 to 1-19-36 NMSA 1978] or the Federal Election Campaign Act of 1971, as amended;

(2) a gift given under circumstances that make it clear that the gift is motivated by a family relationship or close personal relationship rather than the recipient's position as a state officer or employee or candidate for state office;

(3) compensation for services rendered or capital invested that is:

(a) normal and reasonable in amount;

(b) commensurate with the value of the service rendered or the magnitude of the risk taken on the investment;

(c) in no way increased or enhanced by reason of the recipient's position as a state officer or employee or candidate for state office; and

(d) not otherwise prohibited by law;

(4) payment for a sale or lease of tangible or intangible property that is commensurate with the value of the services rendered and is in no way increased or enhanced by reason of the recipient's position as a state officer or employee or candidate for state office;

(5) a commercially reasonable loan made in the ordinary course of the lender's business on terms that are available to all similarly qualified borrowers;

(6) reimbursement for out-of-pocket expenses actually incurred in the course of performing a service for the person making the reimbursement;

(7) any gift accepted on behalf of and to be used by the state or a political subdivision of the state, including travel, subsistence and related expenses accepted by a state agency in connection with a state officer's or employee's official duties that take place away from the state official's or employee's station of duty;

(8) anything for which fair market value is paid or reimbursed by the state officer or employee or candidate for state office;

(9) reasonable expenses for a bona fide educational program that is directly related to the state officer's or employee's official duties; or

(10) a retirement gift;

C. "market value" means the retail cost a person would incur to purchase a gift;

D. "restricted donor" means a person who:

(1) is or is seeking to be a party to any one or any combination of sales, purchases, leases or contracts to, from or with the agency in which the donee holds office or is employed;

(2) will personally be, or is the agent of a person who will be, directly and substantially affected financially by the performance or nonperformance of the donee's official duty in a way that is greater than the effect on the public generally or on a substantial class of persons to which the person belongs as a member of a profession, occupation, industry or region;

(3) is personally, or is the agent of a person who is, the subject of or party to a matter that is pending before a regulatory agency and over which the donee has discretionary authority as part of the donee's official duties or employment within the regulatory agency; or

(4) is a lobbyist or a client of a lobbyist with respect to matters within the donee's jurisdiction; and

E. "state officer or employee" means any person who has been elected to, appointed to or hired for any state office and who receives compensation in the form of salary or is eligible for per diem or mileage.

**History:** Laws 2007, ch. 226, § 2.

## **ANNOTATIONS**

**Cross references.** — For the Federal Election Campaign Act of 1971, see 2 U.S.C. § 431.

**Effective dates.** — Laws 2007, ch. 226 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 15, 2007, 90 days after the adjournment of the legislature.

**Payment of reasonable expenses incidental to an educational tour for legislators is not subject to the Gift Act's limitation on gifts.** — An energy company, proposing to build a nuclear waste storage facility in southeastern New Mexico and planning to conduct a series of two-day educational programs for members of the New Mexico legislature at the company's Missouri nuclear generating station, is not subject to the Gift Act's limitation on gifts for its donation of reasonable expenses for flights, meals, refreshments, and lodging incidental to the educational tour, because under the Gift Act's educational program exception, 10-16B-2(B)(9) NMSA 1978, a donor can pay the reasonable expenses for a bona fide educational program that is directly related to the state officer's or employee's official duties. 2020 Op. Ethics Comm'n No. 2020-03.

**Educational program exception to the New Mexico Gift Act.** — Educational programs that an energy company hopes to provide to members of the New Mexico legislature regarding its proposed nuclear waste storage facility in southeastern New Mexico falls within the educational program exception to the New Mexico Gift Act, 10-16B-1 to 10-16B-5 NMSA 1978, because the programs are designed to educate the legislators about the nuclear waste storage facilities and are therefore directly related to a legislator's official duties. *Educational Program Exception under the New Mexico Gift Act* (4/22/20), [Att'y Gen. Adv. Ltr. 2020-04](#).

### **10-16B-3. Limitation on gifts.**

A. A state officer or employee or a candidate for state office, or that person's family, shall not knowingly accept from a restricted donor, and a restricted donor shall not knowingly donate to a state officer or employee or a candidate for state office, or that person's family, a gift of a market value greater than two hundred fifty dollars (\$250).

B. A lobbyist registered with the secretary of state, the lobbyist's employer or a government contractor shall not donate gifts of an aggregate market value greater than one thousand dollars (\$1,000) in a calendar year to any one state officer or employee or to any one candidate for state office.

C. A state officer or employee shall not solicit gifts for a charity from a business or corporation regulated by the state agency for which the state officer or employee works and shall not otherwise solicit donations for a charity in such a manner that it appears that the purpose of the donor in making the gift is to influence the state officer or employee in the performance of an official duty.

**History:** Laws 2007, ch. 226, § 3.

## ANNOTATIONS

**Effective dates.** — Laws 2007, ch. 226 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 15, 2007, 90 days after the adjournment of the legislature.

**A state employee who also receives a monthly salary from a political campaign committee does not necessarily violate state ethics laws.** — Although the Gift Act, 10-16B-1 to 10-16B-4 NMSA 1978, the Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, the Financial Disclosure Act, 10-16A-1 to 10-16A-8 NMSA 1978, the Campaign Reporting Act, 1-19-25 to 1-19-36 NMSA 1978, and the State Ethics Commission Act, Chapter 10, Article 16G NMSA 1978, impose certain duties on state employees and regulate certain state employees' conduct, the limited set of facts presented in this request, that a state employee, while employed and performing regular public duties, is also receiving a monthly salary from a political campaign committee or political organization, do not establish a violation of any of the foregoing statutes. 2020 Op. Ethics Comm'n No. 2020-01.

**Educational program exception to the New Mexico Gift Act.** — Educational programs that an energy company hopes to provide to members of the New Mexico legislature regarding its proposed nuclear waste storage facility in southeastern New Mexico falls within the educational program exception to the New Mexico Gift Act, 10-16B-1 to 10-16B-5 NMSA 1978, because the programs are designed to educate the legislators about the nuclear waste storage facilities and are therefore directly related to a legislator's official duties. *Educational Program Exception under the New Mexico Gift Act* (4/22/20), [Att'y Gen. Adv. Ltr. 2020-04](#).

### 10-16B-4. Penalties.

A person who violates the provisions of the Gift Act is guilty of a petty misdemeanor and upon conviction shall be sentenced in accordance with the provisions of Section 31-19-1 NMSA 1978.

**History:** Laws 2007, ch. 226, § 4.

## ANNOTATIONS

**Effective dates.** — Laws 2007, ch. 226 contains no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, is effective June 15, 2007, 90 days after the adjournment of the legislature.

### 10-16B-5. Investigations; complaints; enforcement.

A. The state ethics commission may initiate investigations to determine whether the provisions of the Gift Act have been violated. A person who believes that a violation of the Gift Act has occurred may file a complaint with the state ethics commission.

B. If the state ethics commission determines that a violation has occurred, the commission shall refer the matter to the attorney general for criminal prosecution.

**History:** Laws 2019, ch. 86, § 32.

### **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 32 effective January 1, 2020.

## **ARTICLE 16C**

### **Whistleblower Protection**

#### **10-16C-1. Short title.**

This act [10-16C-1 to 10-16C-4 NMSA 1978] may be cited as the "Whistleblower Protection Act".

**History:** Laws 2010, ch. 12, § 1.

### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 12 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

**Applicability.** — Laws 2010, ch. 12, § 7 provided that the provisions of the Whistleblower Protection Act apply only to civil actions for damages resulting from retaliatory action that occurred on or after July 1, 2008.

#### **10-16C-2. Definitions.**

As used in the Whistleblower Protection Act:

A. "good faith" means that a reasonable basis exists in fact as evidenced by the facts available to the public employee;

B. "public employee" means a person who works for or contracts with a public employer;

C. "public employer" means:

(1) any department, agency, office, institution, board, commission, committee, branch or district of state government;

(2) any political subdivision of the state, created under either general or special act, that receives or expends public money from whatever source derived;

(3) any entity or instrumentality of the state specifically provided for by law;  
and

(4) every office or officer of any entity listed in Paragraphs (1) through (3) of this subsection;

D. "retaliatory action" means taking any discriminatory or adverse employment action against a public employee in the terms and conditions of public employment; and

E. "unlawful or improper act" means a practice, procedure, action or failure to act on the part of a public employer that:

(1) violates a federal law, a federal regulation, a state law, a state administrative rule or a law of any political subdivision of the state;

(2) constitutes malfeasance in public office; or

(3) constitutes gross mismanagement, a waste of funds, an abuse of authority or a substantial and specific danger to the public.

**History:** Laws 2010, ch. 12, § 2.

## ANNOTATIONS

**Effective dates.** — Laws 2010, ch. 12 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

**Applicability.** — Laws 2010, ch. 12, § 7 provided that the provisions of the Whistleblower Protection Act apply only to civil actions for damages resulting from retaliatory action that occurred on or after July 1, 2008.

**Mid-level supervisors were not "public employers".** — Where plaintiff, who was a transport officer of a detention center, reported information to the chief probation officer that a fellow transport officer's friend, who was on probation, was not being drug-tested by a probation officer and had used drugs in front of the colleague's child, appellees separately forwarded the information to officials at the detention center; plaintiff was subsequently fired; one appellee was a program manager for metropolitan court and supervised probation officers; the other appellee was programs division director of the background investigations division at metropolitan court and liaison between the court and the detention center; appellees were heads of offices within the judicial branch of government, with supervisory duties and the power to direct the work environment of employees they supervised; they worked under administrative direction, were not

autonomous and independent in their duties and decision making, and were not free from the ultimate decision-making authority of their superiors; and their positions were not created by statute, as a matter of law, appellees were not "public employers" because they were not "officers" of the judicial branch. *Janet v. Marshall*, 2013-NMCA-037, 296 P.3d 1253, cert. granted, 2013-NMCERT-003.

**"Contract employees" enjoy the same protection against retaliatory action that at-will employees enjoy.** — Where plaintiff sued defendant Northern New Mexico College (NNMC) pursuant to the New Mexico Whistleblower Protection Act (WPA), §§ 10-16C-1 to 10-16C-6, NMSA 1978 and where plaintiff offered evidence at trial that NNMC removed her from her position as director of NNMC's campus in El Rito, New Mexico, transferred her to another position, and then terminated her employment in retaliation for her communications to NNMC's administrators about NNMC's failure to approve expenditures necessary for the successful implementation of a plan to revitalize the El Rito campus, and where the jury concluded that NNMC violated the WPA and found by special verdict form that plaintiff had communicated to defendant about the occurrence of an improper act, that there was a reasonable basis in fact for the improper act, and that defendant retaliated against plaintiff because of a communication about that improper act, the trial court did not err in ordering backpay for retaliatory refusal to renew plaintiff's contract, because the WPA expressly authorizes an award when, as the jury found in this case, an employer retaliates by refusing to renew an employee's contract. Nothing in the WPA suggests that whether the employment relationship is contractual has any bearing on the statute's application, and the fact that contract employees are included in the WPA's definition of "public employee" suggests that the legislature intended for contract employees to enjoy the same protection against retaliatory action that at-will employees enjoy. *Velasquez v. Regents of Northern N.M. Coll.*, 2021-NMCA-007, cert. denied.

**Summary judgment improper where genuine issue of material fact as to retaliatory action remained.** — Where plaintiff filed a complaint for damages under the New Mexico Whistleblowers Protection Act, §§ 10-16C-1 to 10-16C-6 NMSA 1978 (NMWPA), alleging that he had communicated to the New Mexico department of corrections (DOC) his good faith belief that unethical and illegal conduct was occurring, and that as a result of those communications, the DOC retaliated by not allowing him to receive overtime or other benefits, and where the DOC moved for summary judgment on the grounds that DOC did not take any adverse employment action against plaintiff, the district court erred in granting DOC's motion for summary judgment, because a genuine issue of material fact as to whether DOC took adverse employment action against plaintiff remained where plaintiff claimed that DOC changed his employment duties, restricted plaintiff's movement in the prison, and the reassignment reduced the amount of overtime income plaintiff earned. *Lerma v. N.M. Dep't of Corrections*, 2024-NMCA-011, cert. granted.

**Summary judgment improper where a reasonable jury could conclude that retaliation was a motivating factor.** — Where plaintiff filed a complaint for damages under the New Mexico Whistleblowers Protection Act, §§ 10-16C-1 to 10-16C-6 NMSA

1978 (NMWPA), alleging that he had communicated to the New Mexico department of corrections (DOC) his good faith belief that unethical and illegal conduct was occurring, and that as a result of those communications, the DOC retaliated by not allowing him to receive overtime or other benefits, and where the DOC moved for summary judgment on the grounds that DOC did not act with a retaliatory motive and that DOC had a legitimate business purpose for acting as it did after receiving plaintiff's communications, the district court erred in granting DOC's motion for summary judgment, because a reasonable jury could conclude that DOC's reassignment of plaintiff and the restriction it placed on his movement were motivated, at least in part, by retaliation for the communications that plaintiff alleges were protected by the NMWPA. *Lerma v. N.M. Dep't of Corrections*, 2024-NMCA-011, cert. granted.

### **10-16C-3. Public employer retaliatory action prohibited.**

A public employer shall not take any retaliatory action against a public employee because the public employee:

- A. communicates to the public employer or a third party information about an action or a failure to act that the public employee believes in good faith constitutes an unlawful or improper act;
- B. provides information to, or testifies before, a public body as part of an investigation, hearing or inquiry into an unlawful or improper act; or
- C. objects to or refuses to participate in an activity, policy or practice that constitutes an unlawful or improper act.

**History:** Laws 2010, ch. 12, § 3.

### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 12 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

**Applicability.** — Laws 2010, ch. 12, § 7 provided that the provisions of the Whistleblower Protection Act apply only to civil actions for damages resulting from retaliatory action that occurred on or after July 1, 2008.

**Scope of protected conduct.** — Where plaintiff filed a complaint for damages under the New Mexico Whistleblowers Protection Act, §§ 10-16C-1 to 10-16C-6 NMSA 1978 (NMWPA), alleging that he had communicated to the New Mexico department of corrections (DOC) his good faith belief that unethical and illegal conduct was occurring, and that as a result of those communications, the DOC retaliated by not allowing him to receive overtime or other benefits, and where the DOC moved for summary judgment, claiming that plaintiff's communications were not protected, the district court erred in



granting DOC's motion for summary judgment, because the NMWPA broadly protects communications to a public employer or a third party, does not exclude communications made through normal channels or as part of the employee's ordinary duties, does not create a motive or intent requirement for the communication, and whether a communication is protected under the NMWPA does not hinge on whether the communication pertains to a matter of public concern or on whether the communication furthers a public interest rather than a private one. *Lerma v. N.M. Dep't of Corrections*, 2024-NMCA-011, cert. granted.

**Summary judgment improper where genuine issue of material fact as to retaliatory action remained.** — Where plaintiff filed a complaint for damages under the New Mexico Whistleblowers Protection Act, §§ 10-16C-1 to 10-16C-6 NMSA 1978 (NMWPA), alleging that he had communicated to the New Mexico department of corrections (DOC) his good faith belief that unethical and illegal conduct was occurring, and that as a result of those communications, the DOC retaliated by not allowing him to receive overtime or other benefits, and where the DOC moved for summary judgment on the grounds that DOC did not take any adverse employment action against plaintiff, the district court erred in granting DOC's motion for summary judgment, because a genuine issue of material fact as to whether DOC took adverse employment action against plaintiff remained where plaintiff claimed that DOC changed his employment duties, restricted plaintiff's movement in the prison, and the reassignment reduced the amount of overtime income plaintiff earned. *Lerma v. N.M. Dep't of Corrections*, 2024-NMCA-011, cert. granted.

**Summary judgment improper where a reasonable jury could conclude that retaliation was a motivating factor.** — Where plaintiff filed a complaint for damages under the New Mexico Whistleblowers Protection Act, §§ 10-16C-1 to 10-16C-6 NMSA 1978 (NMWPA), alleging that he had communicated to the New Mexico department of corrections (DOC) his good faith belief that unethical and illegal conduct was occurring, and that as a result of those communications, the DOC retaliated by not allowing him to receive overtime or other benefits, and where the DOC moved for summary judgment on the grounds that DOC did not act with a retaliatory motive and that DOC had a legitimate business purpose for acting as it did after receiving plaintiff's communications, the district court erred in granting DOC's motion for summary judgment, because a reasonable jury could conclude that DOC's reassignment of plaintiff and the restriction it placed on his movement were motivated, at least in part, by retaliation for the communications that plaintiff alleges were protected by the NMWPA. *Lerma v. N.M. Dep't of Corrections*, 2024-NMCA-011, cert. granted.

**Dismissal of claim was proper where asserted claim was legally deficient.** — Where doctor sued his employer, the board of regents of the university of New Mexico and the university of New Mexico health sciences center for violation of the New Mexico Whistleblower Protection Act (WPA), 10-16C-1 NMSA 1978 et seq., on the ground that employer terminated doctor's employment in retaliation for a previously filed lawsuit, the district court did not err in dismissing doctor's case for failure to state a claim pursuant to 1-012(B)(6) NMRA, where plaintiff alleged only the act of retaliation, that is, the

termination of his employment, but failed to allege that employer retaliated against him because he communicated about "an unlawful or improper act," as that term is defined in the WPA. *Wills v. Board of Regents of the Univ. of N.M.*, 2015-NMCA-105, cert. denied, 2015-NMCERT-009.

**Whistleblower protection laws are designed to benefit the public.** — Where doctor sued his employer, the board of regents of the university of New Mexico and the university of New Mexico health sciences center, for violation of the New Mexico Whistleblower Protection Act (WPA), 10-16C-1 NMSA 1978 et seq., on the ground that employer terminated doctor's employment in retaliation for a previously filed lawsuit in which doctor alleged that employer was abusing its authority by withholding doctor's contractually agreed-upon pay, the district court did not err in dismissing doctor's claim, because the WPA was designed to protect communications that benefit the public by exposing unlawful and improper actions by government employees, not communications regarding personal personnel grievances that primarily benefit the individual employee. *Wills v. Board of Regents of the Univ. of N.M.*, 2015-NMCA-105, cert. denied, 2015-NMCERT-009.

**Sufficient evidence supported the jury's verdict.** — Where plaintiff brought a claim under the Whistleblower Protection Act (WPA), claiming that defendants were in violation of state law by failing to promptly and immediately investigate reports of child abuse and neglect referred to the Farmington police department (FPD) from the New Mexico children, youth and families department (CYFD), evidence presented at trial that plaintiff in good faith believed that defendants were in violation of 32A-4-3 NMSA 1978, in failing to immediately and promptly investigate CYFD referrals, that plaintiff engaged in protected activity by communicating to his superiors his belief that defendants were violating state law by failing its duty, that after plaintiff reported potential negligence on the part of the FPD, defendants removed plaintiff from the cyber crime task force (CCTF), made humiliating comments about him to his colleagues, issued him a substandard work vehicle, and required him to surrender his key to the forensic lab and cease investigating his caseload of crimes against children, and that plaintiff suffered depression, rage, and fear that he would be terminated before he reached eligibility for retirement that caused him to seek counseling, as well as the loss of detective and CCTF overtime pay, provided a substantial evidentiary basis to support the jury's decision that plaintiff established his WPA claim. *Dart v. Westall*, 2018-NMCA-061.

**Evidence sufficed to prove that plaintiff engaged in conduct the WPA protects.** — Where plaintiff sued defendant Northern New Mexico College (NNMC) pursuant to the New Mexico Whistleblower Protection Act (WPA), §§ 10-16C-1 to 10-16C-6 NMSA 1978, and where plaintiff offered evidence at trial that NNMC removed her from her position as director of NNMC's campus in El Rito, New Mexico, transferred her to another position, and then terminated her employment in retaliation for her communications to NNMC's administrators about NNMC's failure to approve expenditures necessary for the successful implementation of a plan to revitalize the El Rito campus, there was sufficient evidence to support the jury's determination that NNMC retaliated against plaintiff for engaging in conduct protected by the WPA and that

plaintiff's communications pertained to what plaintiff believed in good faith was gross mismanagement, where the evidence established that plaintiff was communicating in good faith with NNMC about a waste of funds when she alerted the president of the college and other officials the importance of making requested expenditures for the revitalization of the El Rito campus; the facts available to plaintiff gave her a reasonable basis to believe that the potential for a waste of funds was real and immediate and the refusal to approve the expenditures posed a substantial risk of a significant adverse impact on NNMC's ability to revitalize the El Rito campus. *Velasquez v. Regents of Northern N.M. Coll.*, 2021-NMCA-007, cert. denied.

**Sufficient evidence of retaliation.** — Where plaintiff sued defendant Northern New Mexico College (NNMC) pursuant to the New Mexico Whistleblower Protection Act (WPA), §§ 10-16C-1 to 10-16C-6 NMSA 1978, and where plaintiff offered evidence at trial that NNMC removed her from her position as director of NNMC's campus in El Rito, New Mexico, transferred her to another position, and then terminated her employment in retaliation for her communications to NNMC's administrators about NNMC's failure to approve expenditures necessary for the successful implementation of a plan to revitalize the El Rito campus, there was sufficient evidence to support the jury's determination that NNMC retaliated against plaintiff for engaging in conduct protected by the WPA by removing plaintiff from her position as director of the El Rito campus and later by terminating her employment, where the evidence established that NNMC removed plaintiff from the campus director position just a few weeks after she communicated her concerns to NNMC's administrators and that plaintiff received positive performance evaluations before she communicated her concerns, but received negative evaluations after her communications. *Velasquez v. Regents of Northern N.M. Coll.*, 2021-NMCA-007, cert. denied.

**Pornographic images relevant to affirmative defense of justifiable termination.** — Where plaintiff brought a suit under the Whistleblower Protection Act, §§ 10-16C-1 through 10-16C-6 NMSA 1978, alleging that the town of Taos (town) terminated his employment in retaliation for complaints he made about mismanagement and waste, the district court did not abuse its discretion in allowing the town to introduce thirty pornographic images, although 5000 pornographic images were found on plaintiff's work computer, in support of its affirmative defense that it terminated plaintiff's employment for viewing pornography at work, not for retaliation. The evidence was probative of the town's defense that the termination was reasonable and was due to the extensive and improper use of plaintiff's work computer during work hours. *Maestas v. Town of Taos*, 2020-NMCA-027, cert. granted.

**Plaintiff not entitled to equitable relief.** — Where plaintiff brought a suit under the Whistleblower Protection Act, §§ 10-16C-1 through 10-16C-6 NMSA 1978, alleging that the town of Taos (town) terminated his employment in retaliation for complaints he made about mismanagement and waste, the district court did not abuse its discretion in denying plaintiff's equitable request for front pay as an alternative remedy to reinstatement, because plaintiff did not request reinstatement and front pay is only

available if the court finds that reinstatement is inappropriate. *Maestas v. Town of Taos*, 2020-NMCA-027, cert. granted.

**Plaintiff failed to establish a prima facie case under the Whistleblower Protection Act.** — Where plaintiff, an elementary school teacher, brought an action against the Bernalillo public schools and several of its employees, alleging that she engaged in protected activity under the Whistleblower Protection Act (WPA), §§10-16C-1 through 10-16C-4 NMSA 1978, and in retaliation, her employment was constructively terminated, summary judgment was granted in defendants' favor, because plaintiff's actions, filing a complaint with the superintendent of schools opposing workplace discrimination, harassment, and bullying, filing a grievance with her union because of unfair treatment from her supervisor, and opposing efforts to suspend or revoke her license, did not constitute protected activity within the meaning of the WPA. plaintiff's purported activities for which she complained related to defendants' treatment of her, not matters invoking public interest or public concern to which the WPA is directed. *DeLopez v. Bernalillo Pub. Schs.*, 558 F. Supp. 3d 1129 (D. N.M. 2021).

#### **10-16C-4. Right to civil action for damages; affirmative defenses; remedy not exclusive.**

A. A public employer that violates the provisions of the Whistleblower Protection Act shall be liable to the public employee for actual damages, reinstatement with the same seniority status that the employee would have had but for the violation, two times the amount of back pay with interest on the back pay and compensation for any special damage sustained as a result of the violation. In addition, an employer shall be required to pay the litigation costs and reasonable attorney fees of the employee. An employee may bring an action pursuant to this section in any court of competent jurisdiction.

B. It shall be an affirmative defense to a civil action brought pursuant to this section that the action taken by a public employer against a public employee was due to the employee's misconduct, the employee's poor job performance, a reduction in work force or other legitimate business purpose unrelated to conduct prohibited pursuant to the Whistleblower Protection Act and that retaliatory action was not a motivating factor.

C. The remedies provided for in the Whistleblower Protection Act are not exclusive and shall be in addition to any other remedies provided for in any other law or available under common law.

D. Nothing in the Whistleblower Protection Act precludes civil actions or criminal sanctions for libel, slander or other civil or criminal claims against a person who files a false claim under that act.

**History:** Laws 2010, ch. 12, § 4.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 12 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

**Applicability.** — Laws 2010, ch. 12, § 7 provided that the provisions of the Whistleblower Protection Act apply only to civil actions for damages resulting from retaliatory action that occurred on or after July 1, 2008.

**Remedies are not exclusive.** — The Whistleblower Protection Act (WPA), 10-16C-1 through -6 NMSA 1978, and the New Mexico Human Rights Act (HRA), 28-1-1 through -15 NMSA 1978, are not in irreconcilable conflict; a plaintiff may state a WPA claim alongside a claim under the HRA. *Herald v. Board of Regents of the Univ. of N.M.*, 2015-NMCA-104, cert. denied, 2015-NMCERT-009.

Where plaintiff, a resident physician at the university of New Mexico school of medicine, was dismissed from the residency program and brought suit against the board of regents of the university of New Mexico claiming that her termination was driven by discrimination and retaliation in violation of the New Mexico Human Rights Act (HRA), 28-1-1 NMSA 1978 et seq., and the Whistleblower Protection Act (WPA), 10-16C-1 NMSA 1978 et seq., the district court erred in dismissing plaintiff's WPA claims on the grounds that the WPA and the HRA are irreconcilably conflicting and in concluding that plaintiff could therefore only proceed under the HRA. *Herald v. Board of Regents of the Univ. of N.M.*, 2015-NMCA-104, cert. denied, 2015-NMCERT-009.

**The Whistleblower Protection Act does not permit a public employee to assert a claim against a state officer in his or her individual capacity.** — Where plaintiffs brought actions pursuant to the Whistleblower Protection Act (WPA), claiming that defendant, the former New Mexico secretary of state, terminated plaintiffs' employment in retaliation for plaintiffs' allegations of defendant's misconduct in office, plaintiffs were without authorization to assert a claim against defendant in her personal capacity, because the WPA does not create a right of action against a current or former state officer in his or her individual capacity. *Flores v. Herrera*, 2016-NMSC-033, rev'g 2015-NMCA-072, 352 P.3d 695.

**Public officer's departure from public office does not preclude relief.** — Where plaintiffs brought actions pursuant to the Whistleblower Protection Act (WPA), claiming that defendant, the former New Mexico secretary of state, terminated plaintiffs' employment in retaliation for plaintiffs' allegations of defendant's misconduct in office, defendant's departure from public office did not preclude plaintiffs' claims, because if a state officer who is named as a defendant in a WPA suit dies or leaves office pending the final resolution of the action, the defendant's departure from public office would merely result in an automatic substitution of his or her successor in office, and the suit would proceed against the current officer. *Flores v. Herrera*, 2016-NMSC-033, rev'g 2015-NMCA-072, 352 P.3d 695.

**The Whistleblower Protection Act does not exclude former officers from the purview of the act.** — The act does not limit actions against officers to those officers who are presently in office at the time the action is filed. *Flores v. Herrera*, 2015-NMCA-072, cert. granted, 2015-NMCERT-006.

Where plaintiffs brought actions pursuant to the Whistleblower Protection Act claiming that defendant, the former New Mexico secretary of state, terminated plaintiffs' employment in retaliation for their whistleblowing activities, the fact that defendant was no longer secretary of state did not mandate dismissal of the action; where the alleged retaliatory action that prompted the lawsuit occurred when defendant was an "officer", as that term is defined in 10-16C-2 NMSA 1978, an action pursuant to the Whistleblower Protection Act may proceed even if the "officer" is no longer in office. *Flores v. Herrera*, 2015-NMCA-072, cert. granted, 2015-NMCERT-006.

**The Whistleblower Protection Act permits lawsuits against officers in their individual capacity.** — When a state official is sued for his or her own misconduct in office, the defendant is the individual, not the office, and when the state official leaves office, his or her successor is not substituted as the defendant in the litigation. *Flores v. Herrera*, 2015-NMCA-072, cert. granted, 2015-NMCERT-006.

Where plaintiffs brought actions pursuant to the Whistleblower Protection Act claiming that defendant, the former New Mexico secretary of state, terminated plaintiffs' employment in violation of the act, defendant was properly named individually as a defendant and sued in her personal capacity because the claims were based on defendant's alleged misconduct while in office, namely terminating plaintiffs' employment in retaliation for their whistleblowing activities. *Flores v. Herrera*, 2015-NMCA-072, cert. granted, 2015-NMCERT-006.

**Sufficient evidence supported the jury's verdict.** — Where plaintiff brought a claim under the Whistleblower Protection Act (WPA), claiming that defendants were in violation of state law by failing to promptly and immediately investigate reports of child abuse and neglect referred to the Farmington police department (FPD) from the New Mexico children, youth and families department (CYFD), evidence presented at trial that plaintiff in good faith believed that defendants were in violation of 32A-4-3 NMSA 1978, in failing to immediately and promptly investigate CYFD referrals, that plaintiff engaged in protected activity by communicating to his superiors his belief that defendants were violating state law by failing its duty, that after plaintiff reported potential negligence on the part of the FPD, defendants removed plaintiff from the cyber crime task force (CCTF), made humiliating comments about him to his colleagues, issued him a substandard work vehicle, and required him to surrender his key to the forensic lab and cease investigating his caseload of crimes against children, and that plaintiff suffered depression, rage, and fear that he would be terminated before he reached eligibility for retirement that caused him to seek counseling, as well as the loss of detective and CCTF overtime pay, provided a substantial evidentiary basis to support the jury's decision that plaintiff established his WPA claim. *Dart v. Westall*, 2018-NMCA-061.

**Appropriate method for determining a reasonable attorney fee.** — The appropriate method for determining a reasonable attorney fee under the Whistleblower Protection Act, §§ 10-16C-1 through 10-16C-6 NMSA 1978, is by applying the lodestar criteria, which include the time and labor required, the novelty and difficulty of the questions involved and skill required, the fee customarily charged in the locality for similar services, the amount involved and the results obtained, the time limitations imposed by the client or by the circumstances, and the experience, reputation and ability of the lawyer or lawyers performing the services. *Maestas v. Town of Taos*, 2020-NMCA-027, cert. granted.

**Plaintiff was entitled to an award of attorney fees and costs.** — Where plaintiff brought a suit under the Whistleblower Protection Act (WPA) §§ 10-16C-1 through § 10-16C-6 NMSA 1978, alleging that the town of Taos (town) terminated his employment in retaliation for complaints he made about mismanagement and waste, and where the jury returned a verdict finding that the town violated the WPA but did not award any damages to plaintiff, the district court erred in denying plaintiff an award of attorney fees and costs because the plain language of this section mandates an award of attorney fees and costs when a public employer is found to have violated the provisions of the WPA. *Maestas v. Town of Taos*, 2020-NMCA-027, cert. granted.

**The district court did not err in awarding costs in whistleblower lawsuit.** — Where plaintiff brought a suit under the Whistleblower Protection Act (WPA), §§ 10-16C-1 through § 10-16C-6 NMSA 1978, alleging that the town of Taos (town) terminated his employment in retaliation for complaints he made about mismanagement and waste, and where prior to trial, the town tendered a \$10,000 offer of settlement, which plaintiff did not accept, and where the jury returned a verdict finding that the town violated the WPA but did not award any damages to plaintiff, the district court did not err in awarding litigation costs to the town because plaintiff rejected the town's offer of settlement, which exceeded plaintiff's award of zero damages. *Maestas v. Town of Taos*, 2020-NMCA-027, cert. granted.

When discharge resulted from unlawful motives, plaintiff is presumed to be entitled to reinstatement. — Where plaintiff sued defendant Northern New Mexico College (NNMC) pursuant to the New Mexico Whistleblower Protection Act (WPA), NMSA 1978, §§ 10-16C-1 to -6, and where plaintiff offered evidence at trial that NNMC removed her from her position as director of NNMC's campus in El Rito, New Mexico, transferred her to another position, and then terminated her employment in retaliation for her communications to NNMC's administrators about NNMC's failure to approve expenditures necessary for the successful implementation of a plan to revitalize the El Rito campus, and where the jury concluded that NNMC violated the WPA and found by special verdict form that plaintiff had communicated to defendant about the occurrence of an improper act, that there was a reasonable basis in fact for the improper act, and that defendant retaliated against plaintiff because of a communication about that improper act, the trial court did not err by ordering NNMC to reinstate plaintiff, because reinstatement offers the most likely means of making a plaintiff whole by allowing her to continue her career as if the employer's unlawful action had not occurred. Moreover,

reinstatement deters violations of the WPA. *Velasquez v. Regents of Northern N.M. Coll.*, 2021-NMCA-007, cert. denied.

**Plaintiff was entitled to back pay for defendant's retaliatory refusal to renew her contract.** — Where plaintiff sued defendant Northern New Mexico College (NNMC) pursuant to the New Mexico Whistleblower Protection Act (WPA), NMSA 1978, §§ 10-16C-1 to -6, and where plaintiff offered evidence at trial that NNMC removed her from her position as director of NNMC's campus in El Rito, New Mexico, transferred her to another position, and then terminated her employment in retaliation for her communications to NNMC's administrators about NNMC's failure to approve expenditures necessary for the successful implementation of a plan to revitalize the El Rito campus, and where the jury concluded that NNMC violated the WPA and found by special verdict form that plaintiff had communicated to defendant about the occurrence of an improper act, that there was a reasonable basis in fact for the improper act, and that defendant retaliated against plaintiff because of a communication about that improper act, the trial court did not err in ordering backpay for retaliatory refusal to renew plaintiff's contract, because the WPA expressly authorizes an award when, as the jury found in this case, an employer retaliates by refusing to renew an employee's contract. Nothing in the WPA suggests that whether the employment relationship is contractual has any bearing on the statute's application, and the fact that contract employees are included in the WPA's definition of "public employee" suggests that the legislature intended for contract employees to enjoy the same protection against retaliatory action that at-will employees enjoy. *Velasquez v. Regents of Northern N.M. Coll.*, 2021-NMCA-007, cert. denied.

**Legislature waived sovereign immunity for post-judgment interest.** — Where plaintiff sued defendant Northern New Mexico College (NNMC) pursuant to the New Mexico Whistleblower Protection Act (WPA), NMSA 1978, §§ 10-16C-1 to -6, and where plaintiff offered evidence at trial that NNMC removed her from her position as director of NNMC's campus in El Rito, New Mexico, transferred her to another position, and then terminated her employment in retaliation for her communications to NNMC's administrators about NNMC's failure to approve expenditures necessary for the successful implementation of a plan to revitalize the El Rito campus, and where the jury concluded that NNMC violated the WPA and found by special verdict form that plaintiff had communicated to defendant about the occurrence of an improper act, that there was a reasonable basis in fact for the improper act, and that defendant retaliated against plaintiff because of a communication about that improper act, and where the jury awarded plaintiff \$239,000 in backpay and \$180,000 to compensate her for emotional distress, the trial court erred in denying plaintiff's motion for post-judgment interest, because by explicitly making public employers liable for interest on back pay in this section, the legislature waived sovereign immunity for post-judgment interest pursuant to NMSA 1978, § 56-8-4(D). *Velasquez v. Regents of Northern N.M. Coll.*, 2021-NMCA-007, cert. denied.

## **10-16C-5. Posting of law and information.**



Every public employer shall keep posted in a conspicuous place on the public employer's premises notices prepared by the employer that set forth the provisions of the Whistleblower Protection Act.

**History:** Laws 2010, ch. 12, § 5.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 12 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

**Applicability.** — Laws 2010, ch. 12, § 7 provided that the provisions of the Whistleblower Protection Act apply only to civil actions for damages resulting from retaliatory action that occurred on or after July 1, 2008.

#### **10-16C-6. Limitation on actions.**

A civil action pursuant to the Whistleblower Protection Act shall be forever barred unless the action is filed within two years from the date on which the retaliatory action occurred.

**History:** Laws 2010, ch. 12, § 6.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2010, ch. 12 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

**Applicability.** — Laws 2010, ch. 12, § 7 provided that the provisions of the Whistleblower Protection Act apply only to civil actions for damages resulting from retaliatory action that occurred on or after July 1, 2008.

## **ARTICLE 16D**

### **Sunshine Portal Transparency**

#### **10-16D-1. Short title.**

Chapter 10, Article 16D NMSA 1978 may be cited as the "Sunshine Portal Transparency Act".

**History:** Laws 2010, ch. 34, § 1; 2011, ch. 13, § 1.

#### **ANNOTATIONS**

**The 2011 amendment**, effective July 1, 2011, changed the statutory reference.

## **10-16D-2. Definitions.**

As used in the Sunshine Portal Transparency Act:

A. "contract" means an agreement with a state agency for:

- (1) the rendition of services, including professional services;
- (2) the furnishing of any material, supplies or equipment;
- (3) the construction, alteration or repair of any public building or public work;
- (4) the acquisition, sale or lease of any land or building;
- (5) a licensing arrangement;
- (6) a loan or loan guarantee; or
- (7) the purchase of financial securities or instruments;

B. "department" means the department of information technology, or its successor agency;

C. "exempt employee" means an employee of the state or a state agency who is in a policymaking or supervisory position and who serves at the discretion of the agency head or at the discretion of an appointee of the agency head;

D. "expenditure" means:

- (1) for a state agency, a disbursement of state or federal funds by the state agency, whether or not the funds have been appropriated by the legislature; or
- (2) for a local education provider, a disbursement of federal, state or other funds by the local education provider;

E. "federal funds" means money received by a state agency from the federal government or one of its branches, departments, agencies, offices, officers or instrumentalities;

F. "local education provider" means:

- (1) a school district, including the local school board for that school district; or

(2) a locally chartered or state-chartered charter school, including the governing body of that charter school;

G. "revenue" means:

(1) for a state agency, money received by the state agency and deposited into the general fund or another state fund. "Revenue" includes money from taxes, fines, fees, royalties, federal funds and other sources but does not include money deposited into a state suspense fund; or

(2) for a local education provider, all money received by the local education provider, including federal and state grants, state distributions, property tax revenues and donations; and

H. "state agency" means the New Mexico state government or any department, division, institution, board, bureau, commission or committee of state government and includes any office or officer of any of the above.

**History:** Laws 2010, ch. 34, § 2; 2011, ch. 13, § 2.

## ANNOTATIONS

**Cross references.** — For the department of information technology, see 9-27-4 NMSA 1978.

**The 2011 amendment,** effective July 1, 2011, added Subsection A to define "contract"; defined "expenditure" and "revenue" separately for state agencies and local education providers; and added Subsection F to define "local education provider".

### **10-16D-3. Sunshine portal; department duties.**

A. The department, with the department of finance and administration, shall develop, operate and maintain a single internet web site that is free, user-friendly, searchable and accessible to the public, known as the "sunshine portal", to host the state's financial information for the purpose of governmental transparency and accountability to taxpayers.

B. No later than October 1, 2010, the department shall create the architecture and the information exchange process for the collection and electronic publication of the state's financial information.

C. No later than July 1, 2011, the sunshine portal shall be available for public access and include updated information as required by Subsection D of this section.

D. The sunshine portal shall provide, at a minimum, access to the following information:

- (1) the state's cash balances by account or fund;
- (2) a monthly summary of the state's investment accounts;
- (3) annual operating budgets for each state agency with monthly expenditures by category;
- (4) contracts that a state agency enters into for the lease, sale or development of state land and state contracts that have a total contract price of more than twenty thousand dollars (\$20,000), naming the recipient of the contract, the purpose of the contract and the amounts expended. No later than January 1, 2017, the information provided shall also include:
  - (a) the name of the recipient of the contract;
  - (b) the purpose of the contract;
  - (c) the amounts expended on the contract;
  - (d) a copy of or an internet web site link to a copy of the contract document, including amendments; and
  - (e) a copy of or an internet web site link to a copy of a resident certificate issued pursuant to Section 13-1-22 NMSA 1978 and used in the award of a contract;
- (5) the revenue that the state received in the preceding month by source, such as type of tax, fee, fine, administrative fee or other collection category;
- (6) special appropriations received outside the general appropriation act by each state agency and the purpose of those appropriations;
- (7) approved budget adjustment requests by state agency and affected budget category;
- (8) quarterly consensus revenue estimates;
- (9) reversions and cash balances by state agency and fund;
- (10) appropriations for capital projects, identified by project location, type of project and funding source;
- (11) a directory of all employee positions, other than exempt employee positions, identified only by state agency, position title and salary;
- (12) a directory of all exempt employee positions, identified by state agency, position title, salary and the name of the individual that holds the position;

(13) information relating to local education providers compiled and published by the public education department pursuant to Section 10-16D-6 NMSA 1978;

(14) a link to an open meeting tracker web site upon which each state agency shall post open meetings scheduled for the current month and the next month, including the time and place of the meeting, the subject of the meeting and an agenda;

(15) a link to the web site maintained by the regulation and licensing department for the purpose of accessing information relating to occupational licenses;

(16) a link to the state auditor's web site for the purpose of accessing financial audits;

(17) a link to New Mexico's statutes;

(18) a link to the New Mexico Administrative Code;

(19) a link to the secretary of state's web sites for lobbyist regulation;

(20) an annual summary within three months after the end of the fiscal year, or as soon thereafter as the information becomes available, of the state's fiscal health, including the state budget, revenues and expenditures for the previous fiscal year and projected revenues and operating budgets for the current fiscal year; and

(21) additional information, as required by rule of the department of finance and administration, that will assist the public in understanding state government operations and the use of taxpayer dollars.

E. State agencies shall provide updated financial information as frequently as possible but at least monthly.

F. The department shall update the web site as new information is received but at least monthly, include information from the previous month or year, where relevant, for comparison purposes and maintain the web site as the primary source of public information about the activity of the state government.

**History:** Laws 2010, ch. 34, § 3; 2011, ch. 13, § 3; 2015, ch. 141, § 1.

## **ANNOTATIONS**

**Cross references.** — For the department of finance and administration, see 9-6-3 NMSA 1978.

For the state investment council, see 6-8-2 NMSA 1978.

**The 2015 amendment**, effective June 19, 2015, required the department of information technology, which operates the sunshine portal, to provide additional information on the sunshine portal relating to state contracts; in Paragraph (4) of Subsection D, after "the amounts expended.", added "No later than January 1, 2017, the information provided shall also include:"; and added Subparagraphs D(4)(a) through D(4)(e).

**The 2011 amendment**, effective July 1, 2011, included access to information about state contracts; the name of recipients of contracts and amounts expended; quarterly consensus revenue estimates; published information relating to local education providers; occupational licensing; and financial audits to the sunshine portal.

**Temporary provisions.** — Laws 2011, ch. 13, § 5 provided that the information required by Paragraph (13) of Subsection D of Section 10-16D-3 NMSA 1978 shall be available on the sunshine portal as soon as possible, but no later than October 1, 2012; and that the information required by Paragraphs (15) and (16) of Subsection D of Section 10-16D-3 NMSA 1978 shall be available on the sunshine portal as soon as possible, but no later than January 1, 2012.

#### **10-16D-4. Rules promulgation; compliance required.**

A. Pursuant to the State Rules Act [Chapter 14, Article 4 NMSA 1978], the department shall promulgate rules necessary to implement the architecture, information exchange process and maintenance of the sunshine portal pursuant to the Sunshine Portal Transparency Act.

B. Pursuant to the State Rules Act, the department of finance and administration shall promulgate rules to carry out the provisions of the Sunshine Portal Transparency Act.

C. All state agencies shall comply with the provisions of the Sunshine Portal Transparency Act and rules promulgated by the department and the department of finance and administration pursuant to that act.

**History:** Laws 2010, ch. 34, § 4.

#### **ANNOTATIONS**

**Cross references.** — For the department of finance and administration, see 9-6-3 NMSA 1978.

**Effective dates.** — Laws 2010, ch. 34 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

#### **10-16D-5. Protection of confidential information.**

Nothing in the Sunshine Portal Transparency Act shall require disclosure of information that is confidential by state or federal law.

**History:** Laws 2010, ch. 34, § 5.

## ANNOTATIONS

**Effective dates.** — Laws 2010, ch. 34 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 19, 2010, 90 days after the adjournment of the legislature.

### **10-16D-6. Local education providers; required information; publication by public education department on the sunshine portal.**

A. Commencing no later than July 1, 2012, and on a continuing basis thereafter, each local education provider shall provide the following information to the public education department for online publication on the sunshine portal, in a downloadable format, for free public access:

- (1) the annual operating budget, commencing with the budget for fiscal year 2012;
- (2) salary schedules and policies;
- (3) a directory of the local education provider's employee positions by school name, title and salary;
- (4) monthly expenditures by category;
- (5) monthly revenue by source; and
- (6) an inventory of all real property owned by the local education provider, including the location of the property, the size of the property, a description of the improvements on the property and a description of the use of the property.

B. As soon as practicable after July 1, 2011, the public education department shall begin working with the department of information technology to create a monthly data extract from applicable computer database systems. As information is received pursuant to Subsection A of this section, the public education department, working with the department of information technology, shall publish the information on the sunshine portal.

C. The public education department and each local education provider that maintains a web site shall have a link to the sunshine portal on its web site.

**History:** 1978 Comp., § 10-16D-6, enacted by Laws 2011, ch. 13, § 4.

## ANNOTATIONS

**Effective dates.** — Laws 2011, ch. 13, § 6 made Laws 2011, ch. 13, § 4 effective July 1, 2011.

# ARTICLE 16E

## One-Stop Business Portal

### 10-16E-1. Short title.

This act [10-16E-1 to 10-16E-4 NMSA 1978] may be cited as the "One-Stop Business Portal Act".

**History:** Laws 2014, ch. 20, § 1.

## ANNOTATIONS

**Effective dates.** — Laws 2014, ch. 20 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 21, 2014, 90 days after the adjournment of the legislature.

### 10-16E-2. Definitions.

As used in the One-Stop Business Portal Act:

A. "authorized representative" means a person authorized by a business to use the one-stop business portal to complete business transactions with state agencies on behalf of the business;

B. "department" means the department of information technology; and

C. "state agency" means the New Mexico state government or any department, division, institution, board, bureau, commission or committee of state government and includes any office or officer of any of the above.

**History:** Laws 2014, ch. 20, § 2.

## ANNOTATIONS

**Effective dates.** — Laws 2014, ch. 20 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 21, 2014, 90 days after the adjournment of the legislature.

### 10-16E-3. One-stop business portal; duties.



A. The department shall develop, operate and maintain a centralized web site that is free, user-friendly, searchable and accessible to the public that shall provide authorized representatives of businesses with access or the ability to electronically conduct certain business transactions with state agencies and that shall be known as the "one-stop business portal".

B. No later than January 1, 2017, the department shall provide the framework and define the information exchange process necessary for the one-stop business portal.

C. No later than July 1, 2017, the one-stop business portal shall be available for public access and use and shall include the information and capabilities required by Subsection D of this section.

D. The one-stop business portal shall provide authorized representatives with a single point of entry for conducting certain business transactions with state agencies and shall facilitate or provide the capability to:

- (1) access taxation information, including filing and renewal deadlines;
- (2) make taxation filings and payments;
- (3) access workers' compensation information, including requirements and deadlines;
- (4) access information related to business licensing requirements and associated filing and renewal deadlines;
- (5) complete and submit applications for licenses, registrations and permits that are issued by state agencies and that are required for the transaction of business in New Mexico;
- (6) complete and file documents that state agencies require for the transaction of business in New Mexico;
- (7) make payments, including payments for application fees, license fees, registration fees, permit fees, filing fees and payments made pursuant to the Workers' Compensation Act [Chapter 52, Article 1 NMSA 1978] that must be paid to state agencies;
- (8) provide electronic communications with customer service representatives during regular business hours regarding the use of the one-stop business portal and the services offered through the one-stop business portal; and
- (9) access the sunshine portal.

E. The department and state agencies shall share information received pursuant to or required for the operation or function of the one-stop business portal only for the purpose of implementing the provisions of the One-Stop Business Portal Act or rules promulgated by a state agency pursuant to that act.

**History:** Laws 2014, ch. 20, § 3.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2014, ch. 20 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 21, 2014, 90 days after the adjournment of the legislature.

#### **10-16E-4. Rules promulgation; compliance required.**

A. Pursuant to the State Rules Act [Chapter 14, Article 4 NMSA 1978], the department shall promulgate rules necessary to support the framework, information exchange process and maintenance of the one-stop business portal pursuant to the One-Stop Business Portal Act.

B. Pursuant to the State Rules Act, the secretary of state, the taxation and revenue department, the workforce solutions department, the regulation and licensing department and the workers' compensation administration may promulgate rules to carry out the provisions of the One-Stop Business Portal Act.

**History:** Laws 2014, ch. 20, § 4.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2014, ch. 20 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective May 21, 2014, 90 days after the adjournment of the legislature.

## **ARTICLE 16F**

### **Electronic Communications Privacy**

#### **10-16F-1. Short title.**

This act [10-16F-1 to 10-16F-4 NMSA 1978] may be cited as the "Electronic Communications Privacy Act".

**History:** Laws 2019, ch. 39, § 1.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 39 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

## **10-16F-2. Definitions.**

As used in the Electronic Communications Privacy Act:

A. "adverse result" means:

- (1) danger to the life or physical safety of a natural person;
- (2) flight from prosecution;
- (3) destruction of or tampering with evidence;
- (4) intimidation of a potential witness; or
- (5) serious jeopardy to an investigation;

B. "authorized possessor" means a natural person who owns and possesses an electronic device or a natural person who, with the owner's consent, possesses an electronic device;

C. "electronic communication" means the transfer of a sign, a signal, a writing, an image, a sound, a datum or intelligence of any nature in whole or in part by a wire, radio, electromagnetic, photoelectric or photo-optical system;

D. "electronic communication information":

(1) means information about an electronic communication or the use of an electronic communication service, including:

(a) the contents, sender, recipients, format or the sender's or recipients' precise or approximate location at any point during the communication;

(b) the time or date the communication was created, sent or received; and

(c) any information, including an internet protocol address, pertaining to a person or device participating in the communication; and

(2) excludes subscriber information;

E. "electronic communication service" means a service that:

(1) allows its subscribers or users to send or receive electronic communications, including by acting as an intermediary in the transmission of electronic communications; or

(2) stores electronic communication information;

F. "electronic device" means a device that stores, generates or transmits information in electronic form;

G. "electronic device information":

(1) means information stored on or generated through the operation of an electronic device; and

(2) includes the current and prior locations of the device;

H. "electronic information" means electronic communication information or electronic device information;

I. "government entity" means:

(1) a department, agency or political subdivision of the state; or

(2) a natural person acting for or on behalf of the state or a political subdivision of the state;

J. "service provider" means a person offering an electronic communication service;

K. "specific consent":

(1) means consent provided directly to a government entity seeking information; and

(2) includes consent provided when the government entity is the addressee, the intended recipient or a member of the intended audience of an electronic communication, regardless of whether the originator of the communication had actual knowledge that the addressee, intended recipient or member of the specific audience is a government entity, except where the government entity has taken deliberate steps to hide the government entity's government association; and

L. "subscriber information" means:

(1) the name, street address, telephone number, email address or other similar type of contact information provided by a subscriber to a service provider to establish or maintain an account or communication channel;

- (2) a subscriber or account number or identifier; or
- (3) the length and type of service used by a user or a service-provider subscriber.

**History:** Laws 2019, ch. 39, § 2.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 39 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

**"Other electronic communication information" construed.** — Section 10-16F-6 NMSA 1978 requires each government entity to report, among other data, the number of times it sought or obtained electronic communication content, location information, "electronic device information, excluding location information," and "other electronic communication information"; in light of the definition provided in 10-16F-2(D) NMSA 1978, the phrase "other electronic communication information" means any electronic communications information other than the content of an electronic communication or the location of the sender or recipient, which may include the time or date of the communication, an internet protocol address, or the identity of the sender or recipient. *Electronic Communications Privacy Act (8/19/21)*, [Att'y Gen. Adv. Ltr. 2021-07](#).

### **10-16F-3. Government entity; proscribed acts; permitted acts; warrants; information retention; emergency.**

A. Except as otherwise provided in this section, a government entity shall not:

- (1) compel or incentivize the production of or access to electronic communication information from a service provider;
- (2) compel the production of or access to electronic device information from a person other than the device's authorized possessor; or
- (3) access electronic device information by means of physical interaction or electronic communication with the electronic device.

B. A government entity may compel the production of or access to electronic communication information from a service provider or compel the production of or access to electronic device information from a person other than the authorized possessor of the device only if the production or access is made under a:

- (1) warrant that complies with the requirements in Subsection D of this section; or

(2) wiretap order.

C. A government entity may access electronic device information by means of physical interaction or electronic communication with the device only if that access is made:

(1) under a warrant that complies with the requirements in Subsection D of this section;

(2) under a wiretap order;

(3) with the specific consent of the device's authorized possessor;

(4) with the specific consent of the device's owner if the device has been reported as lost or stolen;

(5) because the government entity believes in good faith that the device is lost, stolen or abandoned, in which case, the government entity may access that information only as necessary and for the purpose of attempting to identify, verify or contact the device's authorized possessor; or

(6) because the government entity believes in good faith that an emergency involving danger of death or serious physical injury to a natural person requires access to the electronic device information.

D. A warrant for the search and seizure of electronic information shall:

(1) describe with particularity the information to be seized by specifying the time periods covered and, as appropriate and reasonable, the natural persons or accounts targeted, the applications or services covered and the types of information sought;

(2) require that information obtained through the execution of the warrant that is unrelated to the objective of the warrant or is not exculpatory to the target of the warrant shall be sealed and shall not be subject to further review, use or disclosure except pursuant to a court order or to comply with discovery as required. A court shall issue such an order upon a finding that there is probable cause to believe that the information is relevant to an active investigation or review, use or disclosure is required by state or federal law; and

(3) comply with all New Mexico and federal laws, including laws prohibiting, limiting or imposing additional requirements on the use of search warrants.

E. When issuing a warrant or order for electronic information or upon a petition of the target or recipient of the warrant or order, a court may appoint a special master

charged with ensuring that only the information necessary to achieve the objective of the warrant or order is produced or accessed.

F. A service provider may voluntarily disclose electronic communication information or subscriber information if the law otherwise permits that disclosure.

G. Information obtained through the execution of a warrant or order that is unrelated to the objective of the warrant shall be destroyed as soon as feasible after the termination of the current investigation and related investigations or proceedings.

H. If a government entity receives electronic communication information as provided in Subsection F of this section, the government entity shall seal that information, which shall not be subject to further review, use or disclosure except pursuant to a court order upon a finding that there is probable cause to believe that the information is relevant to an active investigation or review, use or disclosure is required by state or federal law or to comply with discovery as required, within ninety days after the disclosure unless the government entity:

- (1) has or obtains the specific consent of the sender or recipient of the electronic communication about which information was disclosed; or
- (2) obtains a court order under Subsection I of this section.

I. A court may issue an order authorizing the retention of electronic communication information:

- (1) only upon a finding that the conditions justifying the initial voluntary disclosure persist; and
- (2) lasting only for the time those conditions persist or there is probable cause to believe that the information constitutes criminal evidence.

J. Information retained as provided in Subsection I of this section shall be shared only with a person that agrees to limit the person's use of the information to the purposes identified in the court order and that:

- (1) is legally obligated to destroy the information upon the expiration or rescindment of the court order; or
- (2) voluntarily agrees to destroy the information upon the expiration or rescindment of the court order.

K. If a government entity obtains electronic information because of an emergency that involves danger of death or serious physical injury to a natural person and that requires access to the electronic information without delay, the government entity shall file with the appropriate court within three days after obtaining the electronic information:

(1) an application for a warrant or order authorizing the production of electronic information and, if applicable, a request supported by a sworn affidavit for an order delaying notification as provided in Subsection B of Section 10-16F-4 NMSA 1978; or

(2) a motion seeking approval of the emergency disclosures that sets forth the facts giving rise to the emergency and, if applicable, a request supported by a sworn affidavit for an order delaying notification as provided in Subsection B of Section 10-16F-4 NMSA 1978.

L. A court that receives an application or motion as provided in Subsection K of this section shall promptly rule on the application or motion. If the court finds that the facts did not give rise to an emergency or if the court rejects the application for a warrant or order on any other ground, the court shall order:

(1) the immediate sealing of all information obtained, which shall not be subject to further review, use or disclosure except pursuant to a court order upon a finding that there is probable cause to believe that the information is relevant to an active investigation or review, use or disclosure is required by state or federal law or to comply with discovery as required; and

(2) the immediate notification provided in Subsection A of Section 10-16F-4 NMSA 1978 if that notice has not already been given.

M. This section does not limit the authority of a government entity to use an administrative, grand jury, trial or civil discovery subpoena to require:

(1) an originator, addressee or intended recipient of an electronic communication to disclose any electronic communication information associated with that communication;

(2) when a person that provides electronic communications services to its officers, directors, employees or agents for those officers, directors, employees or agents to carry out their duties, the person to disclose the electronic communication information associated with an electronic communication to or from the officer, director, employee or agent; or

(3) a service provider to provide subscriber information.

N. This section does not prohibit the intended recipient of an electronic communication from voluntarily disclosing electronic communication information concerning that communication to a government entity.

O. Nothing in this section shall be construed to expand any authority under New Mexico law to compel the production of or access to electronic information.



P. This section shall not be construed to alter the authority of a government entity that owns an electronic device to compel an employee who is authorized to possess the device to return the device to the government entity's possession.

**History:** Laws 2019, ch. 39, § 3; 2020, ch. 41, § 1.

## ANNOTATIONS

**The 2020 amendment**, effective March 4, 2020, placed additional requirements on government entities when obtaining warrants for the search and seizure of electronic information, and clarified that government entities have the authority to require an employee to return any electronic device owned by the government entity; in Subsection D, deleted the language in Paragraph D(2), which related to the destruction of information obtained through the execution of a search warrant and that is unrelated to the objective of the search warrant, and rewrote the paragraph; added a new Subsection G and redesignated former Subsections G through N as Subsections H through O, respectively; in Subsection H, in the introductory clause, after "entity shall", deleted "destroy" and added "seal", and after "that information", added "which shall not be subject to further review, use or disclosure except pursuant to a court order upon a finding that there is probable cause to believe that the information is relevant to an active investigation or review, use or disclosure is required by state or federal law or to comply with discovery as required", and in Paragraph H(2), after "Subsection", deleted "H" and added "I"; in Subsection J, in the introductory clause, after "Subsection", deleted "H" and added "I"; in Subsection K, Paragraphs K(1) and K(2), changed "Section 4 of the Electronic Communications Privacy Act" to "10-16F-4 NMSA 1978"; in Subsection L, Paragraph L(1), after "immediate", deleted "destruction" and added "sealing", and after "information obtained", added "which shall not be subject to further review, use or disclosure except pursuant to a court order upon a finding that there is probable cause to believe that the information is relevant to an active investigation or review, use or disclosure is required by state or federal law or to comply with discovery as required", and in Paragraph L(2), after "Section", deleted "4 of the Electronic Communications Privacy Act" and added "10-16F-4 NMSA 1978"; and added Subsection P.

**The Electronic Communications Privacy Act is not an exception to disclosure of public records through the Inspection of Public Records Act.** — Where the state ethics commission (commission) sent a public records request to the New Mexico human services department [health care authority department] (department), asking the department to provide copies of certain emails from several named employees, and where the department denied the request claiming that the Electronic Communications Privacy Act (ECPA), NMSA 1978, § 10-16F-1 to -6, operates as an exception to disclosure through the Inspection of Public Records Act (IPRA), NMSA 1978, §§ 14-2-1 to -12, because the commission may obtain the requested records through a subpoena, the department erred in denying the commission's public records request, because the commission's ability to obtain public records through a subpoena does not mean that it is unable to seek the same records through IPRA, and nothing in the ECPA's text suggests that the legislature intended the statute to operate as an exception to

disclosure through IPRA. *Public Records Requests Made by the State Ethics Comm'n* (10/27/21), [Att'y Gen. Adv. Ltr. 2021-12](#).

#### **10-16F-4. Warrant; emergency; government duties; notification.**

A. Except as otherwise provided in this section, a government entity that executes a warrant or obtains electronic information in an emergency as provided in Section 10-16F-3 NMSA 1978 shall:

(1) serve upon or deliver, by registered or first-class mail, electronic mail or other means reasonably calculated to be effective, to the identified targets of the warrant or emergency request, a notice that informs the recipient that information about the recipient has been compelled or requested and that states with reasonable specificity the nature of the government investigation under which the information is sought;

(2) serve or deliver the notice:

(a) contemporaneously with the execution of a warrant; or

(b) in the case of an emergency, within three days after obtaining the electronic information; and

(3) include with the notice:

(a) a copy of the warrant; or

(b) a written statement setting forth the facts giving rise to the emergency.

B. When a government entity seeks a warrant or obtains electronic information in an emergency as provided in Section 10-16F-3 NMSA 1978, the government entity may request from a court an order delaying notification and prohibiting any party providing information from notifying any other party that information has been sought. The government entity shall support the request with a sworn affidavit. The court:

(1) shall issue the order if the court determines that there is reason to believe that notification may have an adverse result, but for no more than ninety days and only for the period that the court finds there is reason to believe that the notification may have that adverse result; and

(2) may grant one or more extensions of the delay of up to ninety days each on the grounds provided in Paragraph (1) of this subsection.

C. When the period of delay of a notification ordered by a court as provided in Subsection B of this section expires, the government entity that requested the order shall serve upon or deliver, by registered or first-class mail, electronic mail or other

means reasonably calculated to be effective, as specified by the court issuing the order, to the identified targets of the warrant:

(1) a document that includes the information described in Subsection A of this section; and

(2) a copy of all electronic information obtained or a summary of that information, including, at a minimum:

(a) the number and types of records disclosed; and

(b) a statement of the grounds for the court's determination to grant a delay in notifying the targeted person.

D. If there is no identified target of a warrant or emergency request at the time of the warrant's or request's issuance, the government entity shall submit to the attorney general within three days after the execution of the warrant or request issuance the information described in Paragraph (1) of Subsection A of this section. If an order delaying notice is obtained under Subsection B of this section, the government entity shall submit to the attorney general when the period of delay of the notification expires the information described in Paragraph (2) of Subsection C of this section and the information required by this subsection. The attorney general shall publish all those reports on the attorney general's website as provided in Section 10-16F-6 NMSA 1978.

E. Except as otherwise provided in this section, nothing in the Electronic Communications Privacy Act prohibits or limits a service provider or any other party from disclosing information about a request or demand for electronic information.

**History:** Laws 2019, ch. 39, § 4; 2020, ch. 41, § 2.

## ANNOTATIONS

**The 2020 amendment**, effective March 4, 2020, modified certain notification requirements for government entities that have obtained electronic information through the execution of a search warrant or in an emergency as provided by law, removed the requirement that the New Mexico attorney general publish reports related to emergency requests and warrants within ninety days, and made certain technical amendments; in Subsections A and B, changed "Section 3 of the Electronic Communications Privacy Act" to "10-16F-3 NMSA 1978"; in Subsection C, Paragraph (2), deleted "Subparagraph C(2)(b)" and redesignated former Subparagraph C(2)(c) as Subparagraph C(2)(b); and in Subsection D, after the first occurrence of "information described in", added "Paragraph (1) of", after the second occurrence of "information described in", added "Paragraph (2) of", after "Subsection C of this section", added "and the information required by this subsection", and after "attorney general's website", deleted "within ninety days after receipt. The attorney general shall redact names and other personal

identifying information from the reports" and added "as provided in Section 10-16F-6 NMSA 1978".

### **10-16F-5. Violations of law.**

A. A person in a trial, hearing or proceeding may move to suppress any electronic information obtained or retained in violation of the United States constitution, the constitution of New Mexico or the Electronic Communications Privacy Act. The motion shall be made, determined and subject to review in accordance with the procedures provided in law.

B. The attorney general may commence a civil action to compel a government entity to comply with the Electronic Communications Privacy Act.

C. A natural person, service provider or other recipient of a warrant, order or other legal process obtained in violation of the United States constitution, the constitution of New Mexico or the Electronic Communications Privacy Act may petition the court that issued the warrant, order or process to void or modify it or order the destruction of any information obtained in violation of those sources of law.

**History:** Laws 2019, ch. 39, § 5.

### **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 39 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

### **10-16F-6. Annual reporting.**

A. A government entity that obtains electronic communication information under the Electronic Communications Privacy Act shall report to the attorney general beginning in 2021 and every year thereafter on or before February 1. The report shall include, to the extent it reasonably can be determined:

(1) the number of times electronic information was sought or obtained under the Electronic Communications Privacy Act;

(2) the number of times each of the following were sought and, for each, the number of records obtained:

(a) electronic communication content;

(b) location information;

(c) electronic device information, excluding location information; and

(d) other electronic communication information; and

(3) for each type of information listed in Paragraph (2) of this subsection:

(a) the number of times that type of information was sought or obtained under: 1) a wiretap order issued under the Electronic Communications Privacy Act; 2) a search warrant issued under the Electronic Communications Privacy Act; and 3) an emergency request as provided in Subsection K of Section 10-16F-3 NMSA 1978;

(b) the number of instances in which information sought or obtained did not specify a target natural person; and

(c) the number of times notice to targeted persons was delayed.

B. Beginning in 2021 and every year thereafter, on or before April 1, the attorney general shall publish on the attorney general's website a summary aggregating each of the items in Subsection A of this section.

C. Nothing in the Electronic Communications Privacy Act prohibits or restricts a service provider from producing an annual report summarizing the demands or requests it receives under the Electronic Communications Privacy Act.

**History:** Laws 2019, ch. 39, § 6; 2020, ch. 41, § 3.

## ANNOTATIONS

**The 2020 amendment**, effective March 4, 2020, effective March 4, 2020, modified the information required in annual reports submitted by government entities to the New Mexico attorney general, removed the requirement that the New Mexico attorney general publish on its website individual reports received from each government entity, and changed the start date for annual reporting requirements and publication on the New Mexico attorney general's website to 2021; in Subsection A, in the introductory paragraph, after "beginning in", deleted "2020" and added "2021", in Paragraph A(3), in the introductory paragraph, after "Subsection", deleted "J" and added "K", and after "Section", deleted "3 of the Electronic Communications Privacy Act" and added "10-16F-3 NMSA 1978", deleted former Subparagraph A(3)(b) and redesignated former Subparagraph A(3)(c) as Subparagraph A(3)(b), deleted former Subparagraph A(3)(d) and redesignated former Subparagraph A(3)(e) as Subparagraph A(3)(c), and deleted former Subparagraphs A(3)(f) through A(3)(h); and in Subsection B, in the introductory clause, after "Beginning in", deleted "2020" and added "2021", and deleted former Paragraph B(1) and paragraph designation "(2)".

**Meaning of the word "sought".** — This section requires each government entity to report, among other data, "the number of times electronic information was sought or obtained under the Electronic Communications Privacy Act (act)"; the word "sought" should be interpreted broadly to include all instances in which a government entity

attempted to access electronic information in the manner set forth by the act, including unsuccessful attempts to request a warrant or wiretap order from a court. *Electronic Communications Privacy Act* (8/19/21), [Att'y Gen. Adv. Ltr. 2021-07](#).

**"Number of times" construed.** — This section requires each government entity to report, among other data, "the number of times electronic information was sought or obtained under the Electronic Communications Privacy Act"; the legislature clearly intended to require government entities to report the number of occasions in which they either obtained or attempted to obtain electronic information. Each warrant, wiretap, or emergency request constitutes its own "time" for purposes of annual data reporting. *Electronic Communications Privacy Act* (8/19/21), [Att'y Gen. Adv. Ltr. 2021-07](#).

**"Other electronic communication information" construed.** — This section requires each government entity to report, among other data, the number of times it sought or obtained electronic communication content, location information, "electronic device information, excluding location information," and "other electronic communication information"; in light of the definition provided in 10-16F-2(D) NMSA 1978, the phrase "other electronic communication information" means any electronic communications information other than the content of an electronic communication or the location of the sender or recipient, which may include the time or date of the communication, an internet protocol address, or the identity of the sender or recipient. *Electronic Communications Privacy Act* (8/19/21), [Att'y Gen. Adv. Ltr. 2021-07](#).

**"Number of records" construed.** — This section requires each government entity to report, among other data, "the number of times electronic information was sought or obtained under the Electronic Communications Privacy Act (act)" and, for each, the "number of records" obtained: electronic communication content; location information; electronic device information, excluding location information; and other electronic communication information"; in the absence of a clear statutory definition of the word "record" in the act, the best interpretation of the phrase "number of records" is the number of electronic files originally obtained by the government entity containing the requisite information. Moreover, because the act does not require a government entity to report the number of electronic communications received, reporting the number of electronic files obtained appears to be consistent with the legislature's intent. *Electronic Communications Privacy Act* (8/19/21), [Att'y Gen. Adv. Ltr. 2021-07](#).

## **ARTICLE 16G**

### **State Ethics Commission**

#### **10-16G-1. Short title.**

Chapter 10, Article 16G NMSA 1978 may be cited as the "State Ethics Commission Act".

**History:** Laws 2019, ch. 86, § 1; 2023, ch. 164, § 1.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, changed "Sections 1 through 16 of this act" to "Chapter 10, Article 16G NMSA 1978".

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

### 10-16G-2. Definitions.

As used in the State Ethics Commission Act:

- A. "commission" means the state ethics commission;
- B. "commissioner" means a member of the commission;
- C. "complainant" means a person who files a verified complaint with the commission;
- D. "complaint" means a complaint that has been signed by the complainant and the complainant attests under oath and subject to penalty of perjury that the information in the complaint, and any attachments provided with the complaint, are true and accurate;
- E. "director" means the executive director of the commission;
- F. "government contractor" means a person who has a contract with a public agency or who has submitted a competitive sealed proposal or competitive sealed bid for a contract with a public agency;
- G. "legislative body" means the house of representatives or the senate;
- H. "lobbyist" means a person who is required to register as a lobbyist pursuant to the provisions of the Lobbyist Regulation Act [Chapter 2, Article 11 NMSA 1978];
- I. "political party" means a political party that has been qualified in accordance with the provisions of the Election Code [Chapter 1 NMSA 1978];
- J. "public agency" means any department, commission, council, board, committee, agency or institution of the executive or legislative branch of government of the state or any instrumentality of the state, including the New Mexico mortgage finance authority, the New Mexico finance authority, the New Mexico exposition center authority, the New Mexico hospital equipment loan council and the New Mexico renewable energy transmission authority;
- K. "public employee" means an employee of a public agency;

L. "public official" means a person elected to an office of the executive or legislative branch of the state or a person appointed to a public agency; and

M. "respondent" means a person against whom a complaint has been filed with or by the commission.

**History:** Laws 2019, ch. 86, § 2; 2021, ch. 109, § 14.

## ANNOTATIONS

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**The 2021 amendment,** effective July 1, 2021, removed the notarization requirement from the definition of "complaint", as used in the State Ethics Commission Act; and in Subsection D, after "penalty of perjury", deleted "before a notary public".

### **10-16G-3. State ethics commission created; membership; terms; removal.**

A. The "state ethics commission", as created in Article 5, Section 17 of the constitution of New Mexico, is composed of seven commissioners, appointed as follows:

(1) one commissioner appointed by the speaker of the house of representatives;

(2) one commissioner appointed by the minority floor leader of the house of representatives;

(3) one commissioner appointed by the president pro tempore of the senate;

(4) one commissioner appointed by the minority floor leader of the senate;

(5) two commissioners appointed by the four legislatively appointed commissioners; and

(6) one commissioner appointed by the governor, who shall be a retired judge and who shall chair the commission.

B. No more than three members of the commission may be members of the same political party.

C. The appointing authorities shall give due regard to the cultural diversity of the state and to achieving geographical representation from across the state. Each appointing authority shall file letters of appointment with the secretary of state.



D. Commissioners shall be appointed for staggered terms of four years beginning July 1, 2019. The initial commissioners appointed by the speaker of the house of representatives and senate minority floor leader shall serve an initial term of four years; members appointed by the president pro tempore of the senate and house minority floor leader shall serve an initial term of two years; members appointed by the legislatively appointed members shall serve an initial term of one year; and the member appointed by the governor shall serve an initial term of three years. Members shall serve until their successors are appointed and qualified.

E. A person shall not serve as a commissioner for more than two consecutive four-year terms.

F. When any member of the commission dies, resigns or no longer has the qualifications required for the commissioner's original selection, the commissioner's position on the commission becomes vacant. The director shall notify the original appointing authority of the vacant position. The original appointing authority shall select a successor in the same manner as the original selection was made. A vacancy shall be filled by appointment by the original appointing authority no later than sixty days following notification of a vacancy for the remainder of the unexpired term. A vacancy on the commission shall be filled by appointment by the original appointing authority for the remainder of the unexpired term.

G. The commission shall meet as necessary to carry out its duties pursuant to the State Ethics Commission Act. Commissioners are entitled to receive per diem and mileage as provided in the Per Diem and Mileage Act [10-8-1 to 10-8-8 NMSA 1978] and shall receive no other compensation, perquisite or allowance.

H. Four commissioners consisting of two members of the largest political party in the state and two members of the second largest political party in the state constitute a quorum for the transaction of business. No action shall be taken by the commission unless at least four members, including at least two members of the largest political party in the state and two members of the second largest political party in the state, concur.

I. A commissioner may be removed only for incompetence, neglect of duty or malfeasance in office. A proceeding for the removal of a commissioner may be commenced by the commission or by the attorney general upon the request of the commission. A commissioner shall be given notice of hearing and an opportunity to be heard before the commissioner is removed. The supreme court has original jurisdiction over proceedings to remove commissioners, and its decision shall be final. A commissioner is also liable to impeachment pursuant to Article 4, Section 36 of the constitution of New Mexico.

**History:** Laws 2019, ch. 86, § 3.

## **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 3 effective July 1, 2019.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**Temporary provisions.** — Laws 2019, ch. 86, § 37 provided that:

A. By October 1, 2021, the state ethics commission shall submit a report to the legislature and the office of the governor regarding whether to extend commission jurisdiction.

B. If the report recommends extension of the state ethics commission's jurisdiction, the report shall address:

- (1) a detailed plan for implementation of an extension of the commission's jurisdiction and a proposed time line for the implementation;
- (2) the estimated number of additional employees and other resources needed by the commission to perform its expanded duties;
- (3) estimated budget increases needed for the commission to perform its expanded duties; and
- (4) recommended changes to existing law.

#### **10-16G-4. Commissioners; qualifications; limitations.**

A. To qualify for appointment to the commission, a person shall:

- (1) be a qualified elector of New Mexico;
- (2) not have changed party registration in the five years next preceding the member's appointment in such a manner that the member's prior party registration would make the member ineligible to serve on the commission;
- (3) not continue to serve as a commissioner if the member changes party registration after the date of appointment in such a manner as to make the member ineligible to serve on the commission; and
- (4) not be, or within the two years prior to appointment shall not have been, in New Mexico, any of the following:
  - (a) a public official;
  - (b) a public employee;

- (c) a candidate;
- (d) a lobbyist;
- (e) a government contractor; or
- (f) an office holder in a political party at the state or federal level.

B. Before entering upon the duties of the office of commissioner, each commissioner shall review the State Ethics Commission Act and other laws and rules pertaining to the commission's responsibilities and to ethics and governmental conduct in New Mexico. Each commissioner shall take the oath of office as provided in Article 20, Section 1 of the constitution of New Mexico and, pursuant to the Financial Disclosure Act [Chapter 10, Article 16A NMSA 1978], file with the secretary of state a financial disclosure statement within thirty days of appointment and during the month of January every year thereafter that the commissioner serves on the commission.

C. For a period of one calendar year following a commissioner's tenure or following the resignation or removal of a commissioner, the commissioner shall not:

- (1) represent a respondent, unless appearing on the commissioner's own behalf; or
- (2) accept employment or otherwise provide services to a respondent unless the commissioner accepted employment or provided services prior to the filing of a complaint against the respondent.

D. During a commissioner's tenure, a commissioner shall not hold another public office or be:

- (1) a public employee;
- (2) a candidate;
- (3) a lobbyist;
- (4) a government contractor; or
- (5) an office holder in a political party at the state or federal level.

E. A commissioner who changes political party affiliation in violation of the provisions of Subsection A of this section or who chooses to seek or hold an office in violation of Subsection D of this section shall resign from the commission or be deemed to have resigned.

**History:** Laws 2019, ch. 86, § 4; 2021, ch. 109, § 15.

## ANNOTATIONS

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**The 2021 amendment**, effective July 1, 2021, required members of the state ethics commission to file financial disclosure statements with the secretary of state; and in Subsection B, after "constitution of New Mexico", added "and, pursuant to the Financial Disclosure Act, file with the secretary of state a financial disclosure statement within thirty days of appointment and during the month of January every year thereafter that the commissioner serves on the commission".

### **10-16G-5. Commission; duties and powers.**

A. The commission shall:

- (1) employ an executive director, who shall be an attorney, upon approval of at least five commissioners;
- (2) develop, adopt and promulgate the rules necessary for it to implement and administer the provisions of the State Ethics Commission Act; and
- (3) establish qualifications for hearing officers and rules for hearing procedures and appeals.

B. Beginning January 1, 2020, the commission shall:

- (1) receive and investigate complaints alleging ethics violations against public officials, public employees, candidates, persons subject to the Campaign Reporting Act [1-19-25 to 1-19-36 NMSA 1978], government contractors, lobbyists and lobbyists' employers;
- (2) hold hearings in appropriate cases to determine whether there has been an ethics violation;
- (3) compile, index, maintain and provide public access to all advisory opinions and reports required to be made public pursuant to the State Ethics Commission Act;
- (4) draft a proposed code of ethics for public officials and public employees and submit the proposed code to each elected public official and public agency for adoption; and
- (5) submit an annual report of its activities, including any recommendations regarding state ethics laws or the scope of its powers and duties, in December of each year to the legislature and the governor.

C. Beginning January 1, 2020, the commission may:

(1) by approval of at least five commissioners, initiate complaints alleging ethics violations against a public official, public employee, candidate, person subject to the Campaign Reporting Act, government contractor, lobbyist or lobbyist's employer;

(2) petition a district court to issue subpoenas under seal requiring the attendance of witnesses and the production of books, records, documents or other evidence relevant or material to an investigation;

(3) issue advisory opinions in accordance with the provisions of the State Ethics Commission Act;

(4) compile, adopt, publish and make available to all public officials, public employees, government contractors and lobbyists an ethics guide that clearly and plainly explains the ethics requirements set forth in state law, including those that relate to conducting business with the state and public agencies; and

(5) offer annual ethics training to public officials, public employees, government contractors, lobbyists and other interested persons.

**History:** Laws 2019, ch. 86, § 5.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 5 effective July 1, 2019.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**Temporary provisions.** — Laws 2019, ch. 86, § 37 provided that:

A. By October 1, 2021, the state ethics commission shall submit a report to the legislature and the office of the governor regarding whether to extend commission jurisdiction.

B. If the report recommends extension of the state ethics commission's jurisdiction, the report shall address:

(1) a detailed plan for implementation of an extension of the commission's jurisdiction and a proposed timeline for the implementation;

(2) the estimated number of additional employees and other resources needed by the commission to perform its expanded duties;

- (3) estimated budget increases needed for the commission to perform its expanded duties; and
- (4) recommended changes to existing law.

### **10-16G-6. Executive director; appointment; duties and powers.**

A. The commission shall appoint an executive director who shall be knowledgeable about state ethics laws and who shall be appointed without reference to party affiliation and solely on the grounds of fitness to perform the duties of the office. The director shall hold office from the date of appointment until such time as the director is removed by the commission.

B. The director shall:

- (1) take the oath of office required by Article 20, Section 1 of the constitution of New Mexico;
- (2) hire a general counsel who may serve for no more than five years, unless rehired for up to an additional five years;
- (3) hire additional personnel as may be necessary to carry out the duties of the commission;
- (4) prepare an annual budget for the commission and submit it to the commission for approval;
- (5) make recommendations to the commission of proposed rules or legislative changes needed to provide better administration of the State Ethics Commission Act;
- (6) perform other duties as assigned by the commission; and
- (7) be required to reapply for the position after six years of service and may serve as director for no more than twelve years.

C. The director may:

- (1) enter into contracts and agreements on behalf of the commission; and
- (2) have the general counsel administer oaths and take depositions subject to the Rules of Civil Procedure for the District Courts.

D. For a period of one calendar year immediately following termination of the director's employment with the commission, the director shall not:

- (1) represent a respondent, unless appearing on the director's own behalf; or

(2) accept employment or otherwise provide services to a respondent, unless the director accepted employment or provided services prior to the filing of a complaint against the respondent.

**History:** Laws 2019, ch. 86, § 6.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 6 effective July 1, 2019.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**Cross references.** — For the Rules of Civil Procedure for the District Courts, see 1-001 NMRA et seq.

### **10-16G-7. Recusal and disqualification of a commissioner.**

A. A commissioner may recuse from a particular matter.

B. A commissioner shall recuse from any matter in which the commissioner is unable to make a fair and impartial decision or in which there is a reasonable doubt about whether the commissioner can make a fair and impartial decision, including:

(1) when the commissioner has a personal bias or prejudice concerning a party to the proceeding or has prejudged a disputed evidentiary fact involved in a proceeding prior to a hearing. For the purposes of this paragraph, "personal bias or prejudice" means a predisposition toward a person based on a previous or ongoing relationship that renders the commissioner unable to exercise the commissioner's functions impartially;

(2) when the commissioner has a pecuniary interest in the outcome of the matter; or

(3) when in previous employment the commissioner served as an attorney, adviser, consultant or witness in the matter in controversy.

C. A party to the proceeding may request the recusal of a commissioner and shall provide the commission with the grounds for the request. If the commissioner declines to recuse upon request of a party to the proceeding, the commissioner shall provide a full explanation in support of the refusal to recuse.

D. A party may appeal a commissioner's refusal to recuse, or if the propriety of a commissioner's participation in a particular matter is otherwise questioned, the issue shall be decided by a majority of the other commissioners present and voting.

E. A disqualified commissioner shall not participate in any proceedings with reference to the matter from which the commissioner is disqualified or recused, and the commissioner shall be excused from that portion of any meeting at which the matter is discussed.

F. Minutes of commission meetings shall record the name of any commissioner not voting on a matter by reason of disqualification or recusal.

G. If two or more commissioners have recused themselves or are disqualified from participating in a proceeding, the remaining commissioners shall appoint temporary commissioners to participate in that proceeding. Appointments of temporary commissioners shall be made by a majority vote of the remaining commissioners in accordance with the political affiliation and geographical representation requirements and the qualifications set forth in the State Ethics Commission Act.

H. The commission shall promulgate rules for the recusal and disqualification of commissioners, for an appeal of a recusal decision and for the appointment of temporary commissioners.

**History:** Laws 2019, ch. 86, § 7.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 7 effective July 1, 2019.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

### 10-16G-8. Advisory opinions.

A. The commission may issue advisory opinions on matters related to ethics. Advisory opinions shall:

(1) be requested in writing by a public official, public employee, candidate, person subject to the Campaign Reporting Act [1-19-25 to 1-19-36 NMSA 1978], government contractor, lobbyist or lobbyist's employer;

(2) identify a specific set of circumstances involving an ethics issue;

(3) be issued within sixty days of receipt of the request unless the commission notifies the requester of a delay in issuance and continues to notify the requester every thirty days until the advisory opinion is issued; and

(4) be published after omitting the requester's name and identifying information.



B. A request for an advisory opinion shall be confidential and not subject to the provisions of the Inspection of Public Records Act [Chapter 14, Article 2 NMSA 1978].

C. Unless amended or revoked, an advisory opinion shall be binding on the commission in any subsequent commission proceedings concerning a person who acted in good faith and in reasonable reliance on the advisory opinion.

**History:** Laws 2019, ch. 86, § 8.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 8 effective July 1, 2019.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

### **10-16G-9. Commission jurisdiction; compliance provisions.**

A. The commission has jurisdiction to enforce the applicable civil compliance provisions for public officials, public employees, candidates, persons subject to the Campaign Reporting Act [1-19-25 to 1-19-36 NMSA 1978], government contractors, lobbyists and lobbyists' employers of:

- (1) the Campaign Reporting Act;
- (2) the Financial Disclosure Act [Chapter 10, Article 16A NMSA 1978];
- (3) the Gift Act [10-16B-1 to 10-16B-4 NMSA 1978];
- (4) the Lobbyist Regulation Act [Chapter 2, Article 11 NMSA 1978];
- (5) the Voter Action Act [1-19A-1 to 1-19A-17 NMSA 1978];
- (6) the Governmental Conduct Act [Chapter 10, Article 16 NMSA 1978];
- (7) the Procurement Code [13-1-28 to 13-1-199 NMSA 1978];
- (8) the State Ethics Commission Act;
- (9) the Revised Uniform Law on Notarial Acts [Chapter 14, Article 14A NMSA 1978]; and
- (10) Article 9, Section 14 of the constitution of New Mexico.

B. All complaints filed with a public agency regarding the statutes listed in Subsection A of this section shall be forwarded to the commission.

C. The commission may choose to act on some or all aspects of a complaint and forward other aspects of a complaint to another state or federal agency with jurisdiction over the matter in accordance with Subsection E of this section.

D. If the commission decides not to act on a complaint, whether the complaint was filed with the commission or forwarded from another public agency, or decides only to act on part of a complaint, the commission shall promptly forward the complaint, or any part of a complaint on which it does not wish to act, to the public agency that has appropriate jurisdiction within ten days of the decision. The complainant and respondent shall be notified in writing when the complainant's request has been forwarded to another agency unless otherwise provided pursuant to Subsection H of Section 10-16G-10 NMSA 1978.

E. The commission may share jurisdiction with other public agencies having authority to act on a complaint or any aspect of a complaint. Such shared jurisdiction shall be formalized through an agreement entered into by all participating agencies involved with the complaint and the director. The commission may also investigate a complaint referred to the commission by the legislature, or a legislative committee, in accordance with an agreement entered into pursuant to policies of the New Mexico legislative council or rules of the house of representatives or senate.

F. The commission may file a court action to enforce the civil compliance provisions of an act listed in Subsection A of this section. The court action shall be filed in the district court in the county where the defendant resides.

**History:** Laws 2019, ch. 86, § 9; 2021, ch. 21, § 33; 2021, ch. 109, § 16.

## ANNOTATIONS

**2021 Multiple Amendments.** — Laws 2021, ch. 21, § 33, effective January 1, 2022, and Laws 2021, ch. 109, § 16, effective July 1, 2021, enacted different amendments to this section that can be reconciled. Pursuant to 12-1-8 NMSA 1978, Laws 2021, ch. 109, § 16, as the last act signed by the governor, is set out above and incorporates both amendments. The amendments enacted by Laws 2021, ch. 21, § 33 and Laws 2021, ch. 109, § 16 are described below. To view the session laws in their entirety, see the 2021 session laws on *NMOneSource.com*.

The nature of the difference between the amendments is that Laws 2021, ch. 21, § 33, included the Revised Uniform Law on Notarial Acts in the list of acts over which the state ethics commission has jurisdiction to enforce, and Laws 2021, ch. 109, § 16, required that court actions filed pursuant to this section be filed in the district court in the county where the defendant resides.

**Laws 2021, ch. 21, § 33**, effective January 1, 2022, included the Revised Uniform Law on Notarial Acts in the list of acts over which the state ethics commission has jurisdiction to enforce, and made a technical amendment; in Subsection A, added a new Paragraph A(9) and redesignated former Paragraph A(9) as Paragraph A(10); and in Subsection D, after "Subsection H of Section", deleted "10 of the State Ethics Commission Act" and added "10-16G-10 NMSA 1978".

**Laws 2021, ch. 109, § 16**, effective July 1, 2021, required that court actions filed pursuant to this section be filed in the district court in the county where the defendant resides; and in Subsection F, after "in the county where the", deleted "respondent" and added "defendant".

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**Temporary provisions.** — Laws 2019, ch. 86, § 37 provided that:

A. By October 1, 2021, the state ethics commission shall submit a report to the legislature and the office of the governor regarding whether to extend commission jurisdiction.

B. If the report recommends extension of the state ethics commission's jurisdiction, the report shall address:

(1) a detailed plan for implementation of an extension of the commission's jurisdiction and a proposed timeline for the implementation;

(2) the estimated number of additional employees and other resources needed by the commission to perform its expanded duties;

(3) estimated budget increases needed for the commission to perform its expanded duties; and

(4) recommended changes to existing law.

### **10-16G-10. Complaints; investigations; subpoenas.**

A. A complaint of an alleged ethics violation committed by a public official, public employee, candidate, person subject to the Campaign Reporting Act [1-19-25 to 1-19-36 NMSA 1978], government contractor, lobbyist, lobbyist's employer or a restricted donor subject to the Gift Act [Chapter 10, Article 16B NMSA] may be filed with the commission by a person who has actual knowledge of the alleged ethics violation.

B. The complainant shall set forth in detail the specific charges against the respondent and the factual allegations that support the charges and shall sign the complaint under penalty of false statement. The complainant shall submit any evidence

the complainant has that supports the complaint. Evidence may include documents, records and names of witnesses. The commission shall prescribe the forms on which complaints are to be filed. The complaint form shall be signed under oath by the complainant.

C. Except as provided in Subsection H of this section, the respondent shall be notified within seven days of the filing of the complaint and offered an opportunity to file a response on the merits of the complaint.

D. The director shall determine if the complaint is subject to referral to another state agency pursuant to an agreement or outside the jurisdiction of the commission, and if so, promptly refer the complaint to the appropriate agency. If the director determines that the complaint is within the commission's jurisdiction, the director shall have the general counsel initiate an investigation.

E. The general counsel shall conduct an investigation to determine whether the complaint is frivolous or unsubstantiated. If the general counsel determines that the complaint is frivolous or unsubstantiated, the complaint shall be dismissed, and the complainant and respondent shall be notified in writing of the decision and reasons for the dismissal. The commission shall not make public a complaint that has been dismissed pursuant to this subsection or the reasons for the dismissal.

F. If the general counsel and the respondent reach a settlement on the matters of the complaint, the settlement shall be submitted to the commission for its approval, and if the matter has been resolved to the satisfaction of the commission, the complaint and terms of the settlement shall be subject to public disclosure.

G. If an independent hearing officer determines that there is probable cause, the director shall promptly notify the respondent of the finding of probable cause and of the specific allegations in the complaint that are being investigated and that a public hearing will be set. If the finding of probable cause involves a discriminatory practice or actions by the respondent against the complainant, no settlement agreement shall be reached without prior consultation with the complainant. In any case, the notification, complaint, specific allegations being investigated and any response to the complaint shall be made public thirty days following notice to the respondent. The hearing officer chosen to consider probable cause shall not participate in the adjudication of the complaint.

H. Notwithstanding the provisions of Subsections C and G of this section, the director may delay notifying a respondent and complainant and releasing to the public the complaint and related information required by Subsection G of this section if it is deemed necessary to protect the integrity of a criminal investigation. A decision whether to delay notifying a respondent shall be taken by a majority vote of the commission and shall be documented in writing with reasonable specificity.

I. As part of an investigation, the general counsel may administer oaths, interview witnesses and examine books, records, documents and other evidence reasonably

related to the complaint. All testimony in an investigation shall be under oath, and the respondent may be represented by legal counsel. If the general counsel determines that a subpoena is necessary to obtain the testimony of a person or the production of books, records, documents or other evidence, the director shall request that the commission petition a district court to issue a subpoena.

J. The commission may petition the court for a subpoena for the attendance and examination of witnesses or for the production of books, records, documents or other evidence reasonably related to an investigation. If a person neglects or refuses to comply with a subpoena, the commission may apply to a district court for an order enforcing the subpoena and compelling compliance. All proceedings in the district court prior to the complaint being made public pursuant to Subsection G of this section, or upon entry of a settlement agreement, shall be sealed. A case is automatically unsealed upon notice by the commission to the court that the commission has made the complaint public. No later than July 1 of each even-numbered year, the chief justice of the supreme court shall appoint an active or pro tempore district judge to consider the issuance and enforcement of subpoenas provided for in this section. The appointment shall end on June 30 of the next even-numbered year after appointment.

K. A public official or state public employee who is a respondent who is subject to a complaint alleging a violation made in the performance of the respondent's duties shall be entitled to representation by the risk management division of the general services department.

**History:** Laws 2019, ch. 86, § 10; 2021, ch. 109, § 17; 2023, ch. 164, § 2.

## ANNOTATIONS

**The 2023 amendment**, effective June 16, 2023, provided that probable cause determinations are to be made by an independent hearing officer, and provided that the hearing officer chosen to consider probable cause shall not participate in the adjudication of the complaint; and in Subsection G, after "If", deleted "the general counsel determines" and added "an independent hearing officer determines", and added "The hearing officer chosen to consider probable cause shall not participate in the adjudication of the complaint."

**The 2021 amendment**, effective July 1, 2021, removed the notarization requirement from a complaint of an alleged ethics violation; and in Subsection B, after "shall be signed", deleted "and sworn" and added "under oath", and after "complainant", deleted "and notarized".

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**State Ethics Commission lacks jurisdiction to adjudicate an administrative complaint against a member of the legislature for claims predicated on legislative**

**acts.** — N.M. Const., Art. IV, § 13's speech and debate clause provides members of the legislature with immunity from administrative, civil, and criminal actions, whether brought by private individuals or an executive branch agency, for legislative acts taken in the course of the members' official responsibilities, and therefore when claims alleged against a legislator are predicated on that legislator's legislative acts, Art. IV, § 13 operates as a jurisdictional bar to both judicial and administrative proceedings. The State Ethics Commission, therefore, lacks jurisdiction to adjudicate an administrative complaint that alleges a member of the New Mexico legislature violated the Governmental Conduct Act by introducing a bill, making comments related to a bill in a legislative committee or on the member's respective floor, or voting on the bill. 2021 Op. Ethics Comm'n No. 2021-12.

### **10-16G-11. Status of investigation; reports to commission.**

A. If a hearing has not been scheduled concerning the disposition of a complaint within ninety days after the complaint is received, the director shall report to the commission on the status of the investigation. The commission may dismiss the complaint or instruct the director to continue the investigation of the complaint. Unless the commission dismisses the complaint, the director shall report to the commission every ninety days thereafter on the status of the investigation.

B. Upon dismissal of a complaint or a decision to continue an investigation of a complaint, the commission shall notify the complainant and respondent in writing of its action. If the commission has not notified a respondent pursuant to the provisions of Subsection G of Section 10 [10-16G-10 NMSA 1978] of the State Ethics Commission Act, the commission shall vote on whether to notify the respondent. A decision whether to continue to delay notifying the respondent shall be taken by a majority vote of a quorum of the commission and shall be documented in writing with reasonable specificity.

**History:** Laws 2019, ch. 86, § 11.

### **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 11 effective January 1, 2020.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

### **10-16G-12. Investigation report; commission hearings; decisions and reasons given; disclosure of an ethics violation.**

A. Upon receipt of the general counsel's recommendation, the commission or hearing officer shall:

(1) dismiss a complaint and notify the complainant and the respondent of the dismissal; or

(2) set a public hearing, as soon as practicable.

B. At any time before or during a hearing provided for in Subsection A of this section, the hearing officer may, at a public meeting, approve a disposition of a complaint agreed to by the general counsel and the respondent, as approved by the commission.

C. The hearing provided for in Subsection A of this section shall be pursuant to the rules of evidence that govern proceedings in the state's courts and procedures established by the commission. An audio recording shall be made of the hearing. The respondent may be represented by counsel. The parties may present evidence and testimony, request the director to compel the presence of witnesses and examine and cross-examine witnesses.

D. The hearing officer shall issue a written decision that shall include the reasons for the decision. If the hearing officer finds by a preponderance of the evidence that the respondent's conduct constituted a violation, the decision may include recommendations for disciplinary action against the respondent, and the hearing officer may impose any fines provided for by law. A finding of fraudulent or willful misconduct shall require clear and convincing evidence.

E. The complainant or respondent may appeal a decision of the hearing officer within thirty days of the decision to the full commission, which shall hear the matter within sixty days of notice of the appeal and issue its decision within 180 days.

F. The commission shall publicly disclose a decision, including a dismissal following a finding of probable cause or the terms of a settlement, issued pursuant to this section. The commission shall provide the decision to the complainant, the respondent and the:

(1) house of representatives if the respondent is a public official who is subject to impeachment;

(2) appropriate legislative body if the respondent is a member of the legislature;

(3) respondent's appointing authority if the respondent is an appointed public official;

(4) appropriate public agency if the respondent is a public employee;

(5) public agency with which the respondent has a government contract if the respondent is a government contractor; and

(6) secretary of state and the respondent's employer, if any, if the respondent is a lobbyist.

G. The commission shall produce a quarterly report subject to public inspection containing the following information:

- (1) the number of complaints filed with and referred to the commission;
- (2) the disposition of the complaints; and
- (3) the type of violation alleged in the complaints.

**History:** Laws 2019, ch. 86, § 12.

### ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 12 effective January 1, 2020.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

### **10-16G-13. Confidentiality of records; penalty.**

A. A decision that a respondent's conduct constituted a violation, and the terms of a settlement approved by the commission, are public records. Pleadings, motions, briefs and other documents or information related to the decision are public records, except for information that is confidential or protected pursuant to attorney-client privilege, provider-patient privilege or state or federal law.

B. If a complaint is determined to be frivolous, unsubstantiated or outside the jurisdiction of the commission, the complaint shall not be made public by the commission; provided that the commission shall not prohibit the complainant or respondent from releasing the commission's decision or other information concerning the complaint.

C. Except as otherwise provided in the acts listed in Section 9 of the State Ethics Commission Act, all complaints, reports, files, records and communications collected or generated by the commission, hearing officer, general counsel or director that pertain to alleged violations shall not be disclosed by the commission or any commissioner, agent or employee of the commission, unless:

- (1) disclosure is necessary to pursue an investigation by the commission;
- (2) disclosure is required pursuant to the provisions of the State Ethics Commission Act; or



(3) they are offered into evidence by the commission, respondent or another party at a judicial, legislative or administrative proceeding, including a hearing before a hearing officer.

D. Information and reports containing information made confidential by law shall not be disclosed by the commission or its director, staff or contractors.

E. A commissioner, director, staff or contractor who knowingly discloses any confidential complaint, report, file, record or communication in violation of the State Ethics Commission Act is guilty of a petty misdemeanor.

**History:** Laws 2019, ch. 86, § 13.

### ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 13 effective January 1, 2020.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

#### **10-16G-14. Criminal violations; referral.**

If the commission finds at any time that a respondent's conduct amounts to a criminal violation, the director shall consult with the attorney general or an appropriate district attorney, and the commission may refer the matter to the attorney general or an appropriate district attorney. The commission may provide the attorney general or district attorney with all evidence collected during the commission's investigation. Nothing in this section prevents the commission from taking any action authorized by the State Ethics Commission Act or deciding to suspend an investigation pending resolution of any criminal charges.

**History:** Laws 2019, ch. 86, § 14.

### ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 14 effective January 1, 2020.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

#### **10-16G-15. Time limitations on jurisdiction.**

A. The commission shall not accept or consider a complaint unless the complaint is filed with the commission within the later of two years from the date:

- (1) on which the alleged conduct occurred; or
- (2) the alleged conduct could reasonably have been discovered.

B. The commission shall not adjudicate a complaint filed against a candidate, except pursuant to the Campaign Reporting Act [1-19-25 to 1-19-36 NMSA 1978] or Voter Action Act [1-19A-1 to 1-19A-17 NMSA 1978], less than sixty days before a primary or general election. During that time period, the commission may dismiss complaints that are frivolous or unsubstantiated or refer complaints that are outside the jurisdiction of the commission.

C. A complainant shall be notified in writing of the provisions of this section and shall also be notified in writing that the complainant may refer allegations of criminal conduct to the attorney general or the appropriate district attorney.

D. When commission action on a complaint is suspended pursuant to the provisions of this section, the respondent shall promptly be notified that a complaint has been filed and of the specific allegations in the complaint and the specific violations charged in the complaint.

**History:** Laws 2019, ch. 86, § 15.

## **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 15 effective January 1, 2020.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

### **10-16G-16. Prohibited actions.**

A. A person shall not take or threaten to take any retaliatory, disciplinary or other adverse action against another person who in good faith:

- (1) files a verified complaint with the commission that alleges a violation; or
- (2) provides testimony, records, documents or other information to the commission during an investigation or at a hearing.

B. A complainant and a respondent shall not communicate ex parte with any hearing officer, commissioner or other person involved in a determination of the complaint.

C. Nothing in the State Ethics Commission Act precludes civil or criminal actions for libel or slander or other civil or criminal actions against a person who files a false claim.

**History:** Laws 2019, ch. 86, § 16.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 86, § 41 made Laws 2019, ch. 86, § 16 effective January 1, 2020.

**Applicability.** — Laws 2019, ch. 86, § 40 provided that the provisions of the State Ethics Commission Act apply only to conduct occurring on or after July 1, 2019.

**A state employee who also receives a monthly salary from a political campaign committee does not necessarily violate state ethics laws.** — Although the Gift Act, 10-16B-1 to 10-16B-4 NMSA 1978, the Governmental Conduct Act, 10-16-1 to 10-16-18 NMSA 1978, the Financial Disclosure Act, 10-16A-1 to 10-16A-8 NMSA 1978, the Campaign Reporting Act, 1-19-25 to 1-19-36 NMSA 1978, and the State Ethics Commission Act, Chapter 10, Article 16G NMSA 1978, impose certain duties on state employees and regulate certain state employees' conduct, the limited set of facts presented in this request, that a state employee, while employed and performing regular public duties, is also receiving a monthly salary from a political campaign committee or political organization, do not establish a violation of any of the foregoing statutes. 2020 Op. Ethics Comm'n No. 2020-01.

## ARTICLE 16H

### Public Employee Caregiver Leave

#### 10-16H-1. Short title.

Sections 5 through 8 [10-16H-1 to 10-16H-4 NMSA 1978] of this act may be cited as the "Public Employee Caregiver Leave Act".

**History:** Laws 2019, ch. 177, § 5.

## ANNOTATIONS

**Effective dates.** — Laws 2019, ch. 177 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

#### 10-16H-2. Definitions.

As used in the Public Employee Caregiver Leave Act:

A. "eligible employee" means, except as provided pursuant to Section 8 [10-16H-4 NMSA 1978] of this 2019 act, an individual who is an officer or employee of the state or

of a public school and who, in accordance with the policies of the state agency or public school employing the officer or employee, is eligible to accrue sick leave;

B. "family member" means an individual who is the spouse or domestic partner of or is by blood, marriage or legal adoption a parent, grandparent, great-grandparent, child, grandchild, great-grandchild, brother, sister, niece, nephew, aunt or uncle, or is living in the household of an eligible employee;

C. "sick leave" means a leave of absence from employment for which a state agency or public school pays an eligible employee due to illness or injury or to receive care from a licensed or certified health professional. "Sick leave" does not include leave to which an employee is entitled under the federal Family and Medical Leave Act of 1993, regardless of whether the employee uses sick leave during that leave; and

D. "state" or "state agency" means the state of New Mexico or any of its branches, agencies, departments, boards, instrumentalities or institutions.

**History:** Laws 2019, ch. 177, § 6.

## ANNOTATIONS

**Cross references.** — For the federal Family and Medical Leave Act of 1993, see 29 U.S.C. §§ 2601 et seq.

**Effective dates.** — Laws 2019, ch. 177 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

### **10-16H-3. Accumulated sick leave; application to family caregiving.**

A. A state agency or public school that provides eligible employees with sick leave for an eligible employee's own illness or injury or to receive health care shall permit its eligible employees to use accrued sick leave to care for their family members in accordance with the same terms and procedures that the state agency or public school imposes for any other use of sick leave by eligible employees.

B. A state agency or public school employing an eligible employee shall not discharge or threaten to discharge, demote, suspend or retaliate or discriminate in any manner, including using the employee's use of caregiver leave as a factor in the employee's performance evaluation, against an eligible employee because that employee requests or uses caregiver leave in accordance with the state agency's or public school's general sick leave policy, files a grievance for violation of the Public Employee Caregiver Leave Act, cooperates in an investigation or prosecution of an alleged violation of that act or opposes any policy or practice established pursuant to that act.

C. Nothing in this section shall require a state agency or public school to provide sick leave to its employees.

D. The provisions of the Public Employee Caregiver Leave Act are nonexclusive and cumulative and are in addition to any other rights or remedies afforded by contract or under other provision of law. The Public Employee Caregiver Leave Act does not prohibit a state agency or public school from providing greater sick leave benefits than are provided pursuant to that act.

E. Each state agency director and public school administrator shall adopt and promulgate policies to implement the provisions of the Public Employee Caregiver Leave Act. These policies shall include, at a minimum, grievance procedures for according eligible employees recourse for violations of the Public Employee Caregiver Leave Act. As used in this section, "state agency director" means:

(1) the director of the state personnel office for those state agencies to which the provisions of the Personnel Act [Chapter 10, Article 9 NMSA 1978] apply; and

(2) the director of a state agency to which the provisions of the Personnel Act do not apply.

**History:** Laws 2019, ch. 177, § 7.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 177 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

#### **10-16H-4. Exemptions.**

A. The provisions of the Public Employee Caregiver Leave Act shall not apply to any employment expressly exempted under rules adopted by the state personnel office or any other state agency.

B. Nothing in the Public Employee Caregiver Leave Act shall be construed to invalidate, diminish or otherwise interfere with any collective bargaining agreement, nor shall it be construed to invalidate, diminish or otherwise interfere with any party's power to collectively bargain for a collective bargaining agreement.

**History:** Laws 2019, ch. 177, § 8.

#### **ANNOTATIONS**

**Effective dates.** — Laws 2019, ch. 177 contained no effective date provision, but, pursuant to N.M. Const., art. IV, § 23, was effective June 14, 2019, 90 days after the adjournment of the legislature.

## **ARTICLE 17**

### **Miscellaneous Provisions**

#### **10-17-1. [County, municipal and educational boards; monthly summary of minutes; contents.]**

That on or before the 10th [tenth] day of each month there shall be prepared by each board of county commissioners in this state, by the council, commission or trustees of every city, town or village in this state, and by every board of education in this state, a summary of the minutes of all meetings held by such board during the preceding calendar month, such summary to mean a full and correct account of all business transacted by such boards and commissions, showing all matters presented, the action taken thereon, or other disposition thereof, and a statement of all monies received by any such boards or commissions during the preceding calendar month, showing the source from which received and the amount received from each source, and a detailed statement of all expenditures made during such preceding calendar month, including a list of all warrants issued, to whom issued, the amount of each warrant and the purpose for which the warrant was issued.

**History:** Laws 1939, ch. 220, § 1; 1941 Comp., § 10-505; 1953 Comp. § 5-6-5.

#### **ANNOTATIONS**

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Cross references.** — For annual publication of proceedings of county commissioners, see 4-38-9 NMSA 1978.

For annual publication of receipts and expenditures of board of county commissioners, see 4-38-27 NMSA 1978.

For publication of proceedings, see 14-11-11 NMSA 1978.

**Legislative intent.** — There is nothing in this act indicating a legislative intent that it apply to the board of regents or other governing bodies of state colleges and universities. In the absence of any such expression, it must be presumed that the legislature intended that the act apply only to those boards and commissions specifically mentioned. 1939 Op. Att'y Gen. No. 39-3110.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties §§ 84 to 86; 62 C.J.S. Municipal Corporations § 409; 78 C.J.S. Schools and School Districts §§ 153, 154.

### **10-17-2. [Filing summary of minutes; furnishing to legal newspapers.]**

Such summary of minutes shall be filed with the clerk of each board mentioned in Section 1 [10-17-1 NMSA 1978] hereof and such summary shall be a public record and open to inspection of the public, provided, however, that a copy thereof shall be by the board or commission mailed to each and every legal newspaper published in the county for such use as such newspaper may see fit.

**History:** Laws 1939, ch. 220, § 2; 1941 Comp., § 10-506; 1953 Comp., § 5-6-6.

#### **ANNOTATIONS**

**Cross references.** — For definition of "legal newspaper", see 14-11-2 NMSA 1978.

For publication of board proceedings, language requirements, see 14-11-11 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties §§ 84 to 86; 62 C.J.S. Municipal Corporations § 409; 78 C.J.S. Schools and School Districts §§ 153, 154.

### **10-17-3. Publication of list of expenditures monthly.**

On or before the 10th [tenth] day of each month there may be published in a legal newspaper published in the county where such board or commission is situated, by the council, commission or trustees of every city, town or village in this state, and by every board of education in this state, a summary of expenditures made during the preceding calendar month, which shall include a list of the total expenditures during the month and the amount spent in connection with each budgetary item and a summary of all receipts; provided, however, that the publication herein mentioned shall be made only at the discretion of the council, commission or trustee of every city, town or village, and board of education in this state if they shall deem the said publication necessary in the public interest.

**History:** Laws 1939, ch. 220, § 3; 1941 Comp., § 10-507; Laws 1947, ch. 189, § 1; 1953, ch. 84, § 1; 1953 Comp., § 5-6-7.

#### **ANNOTATIONS**

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Cross references.** — For payment for required publications of county, municipal, or school board, see 14-11-9 NMSA 1978.

**Publication not mandatory.** — It is not mandatory that the commission make a monthly publication of its receipts and expenditures. 1957 Op. Att'y Gen. No. 57-126.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties §§ 84 to 86; 62 C.J.S. Municipal Corporations § 409; 79 C.J.S. Schools and School Districts § 345.

#### **10-17-4. County and precinct officers; monthly financial statements; audit.**

All county and precinct officers except justices of the peace shall file monthly statements with the county clerk on the first Monday of each month, showing in detail the amounts of all public money received and disbursed by them. The statements shall be verified by the officers making them and the board of county commissioners shall audit and adjust them in accordance with the facts.

**History:** 1953 Comp., § 5-6-8, enacted by Laws 1961, ch. 212, § 10.

#### **ANNOTATIONS**

**Repeals and reenactments.** — Laws 1961, ch. 212, § 10, repealed 5-6-8, 1953 Comp., relating to filing of monthly statements showing money received or disbursed by county officers, and enacted a new section.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 20 C.J.S. Counties § 196.

#### **10-17-5. [Delivery of lawbooks, records and documents to successors; exception.]**

All public officers of this state who may have received lawbooks, as such officers, are hereby required to turn over the same to their successors, as also the records and all other documents relative to their respective offices: provided, that the members of the legislature shall not be included in this section.

**History:** Laws 1854-1855; C.L. 1865, ch. 92, § 20; C.L. 1884, § 1741; C.L. 1897, § 2557; Code 1915, § 3985; C.S. 1929, § 96-135; 1941 Comp., § 10-510; 1953 Comp., § 5-6-9.

#### **ANNOTATIONS**

**Cross references.** — For county surveyor to deliver books to successor, see 4-42-4 NMSA 1978.



For county treasurer to deliver books and papers to successor, see 4-43-4 NMSA 1978.

For record books of county clerk delivered to successor, see 14-8-9 NMSA 1978.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 211.

### **10-17-6. Repealed.**

#### **ANNOTATIONS**

**Repeals.** — Laws 1978, ch. 130, § 5, repealed 5-6-10, 1953 Comp. (10-17-6 NMSA 1978), relating to delivery of supreme court reports and statutes, effective March 6, 1978.

### **10-17-7. [Shortages in accounts of public officers; compromise prohibited.]**

It shall hereafter be unlawful for any state official, district attorney, board of county commissioners or other official charged with the collection of any indebtedness, or the prosecution of any suit for the collection of any indebtedness due to, or claimed by the state, any county, city, town, precinct or school district, from any public official or the sureties on his official bond, to compromise, satisfy or discharge such indebtedness in favor of such official or sureties, except upon payment in full of the amount claimed to be due, or of the amount for which judgment is rendered by a court of competent jurisdiction.

**History:** Laws 1893, ch. 5, § 1; C.L. 1897, § 3193; Code 1915, § 1864; C.S. 1929, § 39-113; 1941 Comp., § 10-512; 1953 Comp., § 5-6-11.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 215.

### **10-17-8. [Shortage compromises declared invalid; recovery of full payment; limitation of action.]**

Any compromise, satisfaction or discharge of indebtedness prohibited by the preceding section [10-17-7 NMSA 1978] of this article is hereby declared to be invalid, and shall not be held a bar to any suit for the collection thereof, and suit may be brought at any time within four years from the date of any such compromise, satisfaction or discharge to enforce the payment thereof, notwithstanding any existing law of limitation.

**History:** Laws 1893, ch. 5, § 2; C.L. 1897, § 3194; Code 1915, § 1865; C.S. 1929, § 39-114; 1941 Comp., § 10-513; 1953 Comp., § 5-6-12.

## ANNOTATIONS

**Purpose of sections.** — The object of this section and 10-17-7 NMSA 1978 is to exclude a special class of claims from the general statutes of limitation, whether existing at the time this act (10-17-7, 10-17-8 NMSA 1978) was passed or subsequently enacted. *State v. Roy*, 1937-NMSC-026, 41 N.M. 308, 68 P.2d 162.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 216.

### **10-17-9. [Defaulting officers; auditor's transcript of account; purpose.]**

Whenever any revenue officer or other person responsible for public money has neglected or refused or shall in future neglect or refuse to pay over to the state treasurer the sum or balance for which he is accountable, and which is due to the state, upon the settlement of his accounts, it shall be the duty of the state auditor to make a transcript of the account of such officer or person, with the state, showing the sum due the state by such officer or person, which said account shall be certified as true and correct, as taken from the books of the auditor, and shall be signed by said auditor and sealed with his official seal, and if he shall have no official seal, with his private seal, and the auditor shall transmit the same immediately, together with correct copies of any other document, bond, obligation or other instrument of writing, signed, sealed and certified as aforesaid, to the district attorney or attorney general to be used in the prosecution of such judge, officer, individual and their sureties, if they have such sureties.

**History:** Laws 1869-1870, ch. 39, § 1; C.L. 1884, § 2284; C.L. 1897, § 3195; Code 1915, § 1866; C.S. 1929, § 39-115; 1941 Comp., § 10-514; 1953 Comp., § 5-6-13.

## ANNOTATIONS

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 215.

### **10-17-10. [Prosecution for shortage; proof required; judgment; execution.]**

Such prosecution shall be brought for the whole sum due and the interest accrued, and it shall be sufficient to prove the amount of the debt, and the fact that the securities were the securities of the said officer or individual prosecuted, and judgment shall be given against said officer or individual and their said securities for the sum so due and

interest according to law, and execution shall thereupon be issued against all the parties so tried, in favor of the state.

**History:** Laws 1869-1870, ch. 39, § 2; C.L. 1884, § 2285; C.L. 1897, § 3196; Code 1915, § 1867; C.S. 1929, § 39-116; 1941 Comp., § 10-515; 1953 Comp., § 5-6-14.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 216.

#### **10-17-11. [Institution of shortage prosecution; admissible evidence.]**

When any party shall be liable to be prosecuted under the provisions of this and the two preceding sections [10-17-9, 10-17-10 NMSA 1978], it shall be the duty of the district attorney to immediately commence a suit in favor of the state against said party and his securities for the sum due and interest according to law, and in the trial of any cause now or that may be hereafter pending against any officer or person and their securities, the certified transcript of the account of said officer or individual provided for by said sections and the certified copies of any other document, bond, obligation or other instrument of writing sealed, signed and certified in conformity with the said sections, or the originals, shall be admitted as evidence of such debt or liability of said officer or individual, and their securities, and the court trying the cause shall give judgment and issue execution in conformity to said evidence.

**History:** Laws 1869-1870, ch. 39, § 3; C.L. 1884, § 2286; C.L. 1897, § 3197; Code 1915, § 1868; C.S. 1929, § 39-117; 1941 Comp., § 10-516; 1953 Comp., § 5-6-15.

#### **ANNOTATIONS**

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees § 216.

#### **10-17-12. [Willful neglect of duty; penalty.]**

When any duty is or shall be enjoined by law upon any public officer, or upon any person holding any public trust or employment, every wilful [willful] neglect to perform such duty, where no special provision shall have been made for the punishment of such delinquency, shall be deemed a misdemeanor, punishable by imprisonment in the county jail for not less than ten nor more than sixty days or by a fine of not less than \$100, nor more than \$500.

**History:** 1941 Comp., § 10-517, enacted by Laws 1951, ch. 13, § 1; 1953 Comp., § 5-6-16.

## ANNOTATIONS

**Bracketed material.** — The bracketed material was inserted by the compiler and is not part of the law.

**Am. Jur. 2d, A.L.R. and C.J.S. references.** — 67 C.J.S. Officers and Public Employees §§ 255 to 263.