

LFC Requester:	Caroline Malone
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**AGENCY BILL ANALYSIS
2015 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original <input type="checkbox"/>	Amendment <input type="checkbox"/>	Date <u>02/02/2015</u>
Correction <input type="checkbox"/>	Substitute <input type="checkbox"/>	Bill No: <u>HB-264</u>

Sponsor: <u>Representative Yvette Herrell</u>	Agency Code: <u>Attorney General's Office-305</u>
Short Title: <u>Compact for a Balanced Budget</u>	Person Writing: <u>John Wheeler, Chief Counsel</u>
Title: _____	Phone: <u>827-6000</u> Email: <u>jwheeler@nmag.gov</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

BILL SUMMARY

Synopsis: HB-264 proposes that the State of New Mexico adopt the “the Compact for a Balanced budget.” The proposed compact, if signed by New Mexico and adopted by ¾ of the States would irrevocably bind the State of New Mexico to its terms unless a unanimous vote of all signatory states agreed to release New Mexico from its provisions.

The proposed compact has the following articles:

- Article I. Declaration of policy, purpose and intent;
- Article II. Definitions;
- Article III. Membership and Withdrawal;
- Article IV. Compact Commission and Compact Administrator;
- Article V. Resolution Applying for Convention;
- Article VI. Delegate Appointment, Limitations and Instruction;
- Article VII. Convention Rules;
- Article VIII. Prohibition on Ultra Vires Convention;
- Article; IX. Resolution Prospectively Ratifying the Balanced Budget Amendment;
- Article X. Construction, Enforcement, Venue and Severability.

It should be noted the proposed legislation contains an emergency clause.

FISCAL IMPLICATIONS

Note: There are no discernable fiscal implications to the Office of the Attorney General presented by the proposed legislation.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES: The most significant issues presented by the proposed legislation are the purported binding of the State, in perpetuity, at the discretion of other member states. This would effectively cause the State of New Mexico to abdicate its constitutional role as a State and simply act in accordance with the terms of this compact. This appears to conflict with the most basic constitutional concepts regarding federalism.

Additionally, the proposed legislation creates a structure whereby the president of the United States would be required to adhere to the terms of this compact, and “the failure of the President to designate or enforce the required impoundment is an impeachable misdemeanor” this raises constitutional issues regarding states rights and the supremacy clause among others.

PERFORMANCE IMPLICATIONS: N/A

ADMINISTRATIVE IMPLICATIONS: N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP: No Conflict, Duplication, companionship, relationship of which we’re currently aware

**TECHNICAL ISSUES: See significant issues above.
Contains an Emergency Clause**

**OTHER SUBSTANTIVE ISSUES: See significant issues above.
Contains an Emergency Clause**

ALTERNATIVES: NONE proposed

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL: The status quo.

AMENDMENTS: None Proposed