

2020



NEW MEXICO LEGISLATIVE SUMMARY



BUDGET SURPLUS QUICKLY GIVES WAY TO PANDEMIC AND ENERGY CRASH

When 2020 began, Governor Michelle Lujan Grisham and state lawmakers were gearing up for a short, 30-day legislative session to primarily determine how to spend yet another projected big budget surplus. The Governor was also pitching a pared-down agenda of other issues, including the legalization of recreational cannabis use, free tuition for New Mexico students at our colleges and universities, and the establishment of a Chamber-backed new endowment fund for the expansion of early childhood programs.

Little did anyone know that, within weeks of approving a record-setting \$7.6 billion spending plan for FY 2021, the COVID-19 pandemic would hit the United States, energy prices and production would crash, and stringent public health restrictions would close businesses for months and significantly curtail economic activity.

As New Mexico joined the rest of the world in battling the spread of the Coronavirus, the revenue outlook for state and local governments – heavily dependent on gross receipts taxes and/or energy production – quickly became dire. Spring brought with it new projections by economists that state revenues would collapse by as much as \$2.4 billion in the coming year. And, following a contentious primary election in June – in which several fiscal watchdogs in Senate Democratic leadership were defeated by more liberal challengers, the Governor called a special session to shore up the FY 2020 budget (using half of the state's robust reserves) and begin to chart a new spending plan for FY 2021 and beyond.

With this backdrop, we present to you the Chamber's 2020 Legislative Summary publication, which covers legislative action in both the 2020 regular and special sessions, at a time of tremendous uncertainty in the Land of Enchantment.

AT A GLANCE: THE 2020 LEGISLATIVE SESSION

Composition of the Legislature	
NM House of Representatives	72 members (46 Democrats, 24 Republicans)
NM Senate	43 members (26 Democrats, 16 Republicans)

Legislation Introduced and Passed – 30 Days	
Bills, resolutions, and memorials introduced	914
Bills, resolutions, and memorials passed by both the House and Senate	88
Bills vetoed by the Governor	4

THE 2020 SPECIAL LEGISLATIVE SESSION

Legislation Introduced and Passed – 5 Days	
Bills, resolutions, and memorials introduced	45
Bills, resolutions, and memorials passed by both the House and Senate	7
Hous Bill 1 / Senate Bill 5: Spends reserves to balance FY20 budget, reduces FY21 agency spending, cuts capital projects, allocates federal CARES Act recovery aid	
House Bill 6: Waives tax penalties during the pandemic, increases tax payments to local governments	
Senate Bill 3: Creates and funds low-interest loan program for small businesses and local governments	



At left, Speaker of the House Brian Egolf (D – Santa Fe) presides over the House of Representatives during the June special session.

The Greater ABQ Chamber of Commerce:

An Effective Advocate for Economic Growth in New Mexico

GACC LEGISLATIVE TEAM

Mike Canfield
Chair of the Board

Terri Cole
President/CEO

Kyle Beasley
Chair-Elect

Pat Vincent-Collawn
Immediate Past Chair

Sherman McCorkle
Legislative Advocacy Chair

JD Bullington
Lobbyist

Scott Darnell
Strategy, Policy, and Communications

Chris Narkun
Lobbyist, Policy, and Communications

Heather McDaniel
Lobbyist, Policy, and Communications

Marc Christensen
Legislative Roundup

Dear Chamber Investors,

The mission of the Greater Albuquerque Chamber of Commerce is to work with government, business, and community partners to promote a welcoming business environment and thriving, diverse economy in New Mexico. Our goal is to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.

Advocacy on behalf of our business community during New Mexico's legislative sessions is key to making this vision a reality. Prior to each legislative session, we engage in countless hours of preparation, analyzing proposals to understand their impact on businesses and crafting a pro-growth agenda that largely focuses on four policy areas:

- **responsible budgeting and infrastructure spending**
- **reducing crime and improving public safety**
- **reforming public education, with a focus on student achievement and success and**
- **growing New Mexico's economy and job opportunities.**

In 2020, the Chamber's legislative team – which includes business leaders, lobbyists, policy experts, and skilled communicators – supported our business community during a regular legislative session centered on the expenditure of a projected \$800 million budget surplus and, following the Coronavirus outbreak and a steep plunge in energy prices, a special legislative session just four months later to deal with a projected \$2 billion budget deficit. State finances have indeed been on a rollercoaster! Through it all, the Chamber has worked to restrain government growth and encourage sound budgeting practices. Taxes were not raised on businesses or families this year, and economic development incentives remain well-funded. Meanwhile, the Chamber was a strong and successful advocate for the creation of a new early childhood education endowment fund, which will create a more stable funding source for the expansion of early childhood programs in the future. We helped secure permanent funding for our District Attorney's Crime Strategies Unit, which is using cutting-edge technology to identify and cripple crime networks in the Albuquerque area, and capital funding for new crime-fighting technology – like license plate readers to stop auto theft – for the Albuquerque Police Department.

This publication provides a summary and accounting of how the Chamber's agenda fared at the Roundhouse this year; despite significant headwinds and a remarkable set of historic circumstances, we hope you will be encouraged by the collaboration and progress that occurred to both advance and defend business interests. The Chamber remains a high-profile, steadfast, and persistent advocate in Santa Fe, and we extend our deepest thanks to our investors for making this work possible.

It is an honor and privilege to represent the business community at the State Capitol.

Sincerely,



Mike Canfield,
GACC Chairman of the Board
CEO, Indian Pueblo Cultural Center



Terri Cole,
President and CEO
Greater ABQ Chamber of Commerce



Sherman McCorkle,
GACC Legislative Advocacy Chair
CEO, Sandia Science and Technology Park
Development Corp.

“Our goal is to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.”

SIGNATURE SUCCESSES:

PASSED LEGISLATION



ECONOMIC DEVELOPMENT INCENTIVES

The Chamber worked to secure \$9 million for the Job Training Incentive Program (JTIP) and \$15 million for the state's closing fund for economic development projects (LEDA), both of which help companies add new employees, expand their operations, or relocate to New Mexico. These funding increases for JTIP and LEDA were only slightly pared back during the special session.



PUBLIC REGULATION COMMISSION REFORM

In the 2019 legislative session, the Chamber backed a constitutional amendment reforming how Public Regulation Commissioners are selected and requiring them to be subject-matter experts. As the next step in that process, HB386 detailed in statute the bipartisan nominating process for selecting new well-qualified commissioners that will be used if the constitutional amendment is approved by voters. The bill also institutes other sensible restructuring moves, like shifting the state fire marshal to the Homeland Security Department.



MANUFACTURING EQUIPMENT INVESTMENT TAX CREDIT EXTENSION

The Chamber worked to extend the tax credit for investment on large manufacturing equipment for another 10 years, a key incentive for existing and prospective manufacturers.



PANDEMIC RECOVERY HELP FOR SMALL BUSINESSES

In the special session, the Chamber supported legislation creating a low-interest loan program for small businesses to help them recover from the economic shutdown and manage through the COVID-19 pandemic, as well as a separate bill temporarily waiving tax penalties for businesses.



QUICK PROFESSIONAL LICENSURE FOR MILITARY FAMILIES

HB 30 expedites the process by which family members of active duty military stationed in New Mexico obtain professional licenses to do business in our state. The Chamber was a strong backer of this legislation because it helps spouses and other family members who have been licensed to do business in a particular sector elsewhere easily find work in New Mexico, incorporating qualified talent into our workforce more quickly and providing important support to military families.



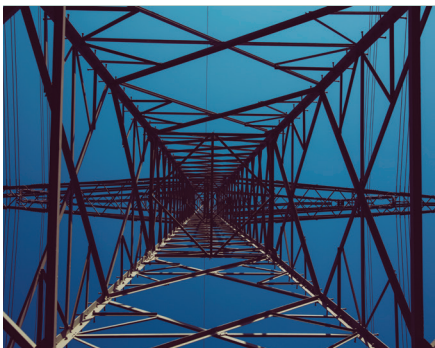
EXTENSION OF SMALL BUSINESS SATURDAY

The Chamber supported the extension of “Small Business Saturday,” which continues the annual gross receipts tax holiday for small business purchases in New Mexico on the Saturday after Thanksgiving each year.



STATE WORKER PENSION SOLVENCY

With nearly \$6.7 billion in unfunded liabilities in the state's public employee retirement system (PERA), implementing significant structural pension reforms was essential to keep PERA solvent and secure retirees' benefits, address recent credit downgrades by Moody's of the state's finances — due in large part to pension insolvency, and stave off an even larger fiscal problem in the future that might prompt the consideration of tax increases to resolve. SB72 reforms the public retirement system in a balanced way, with one-time infusions of funding and changes to the annual cost-of-living adjustments that for many years spurred substantial increases untethered from real inflation or growth in costs for beneficiaries.



LARGE CAPITAL PROJECTS

Though the state's capital spending process is still not transparent and infrastructure dollars continue to be spent on projects that do not create jobs or are small in scale/purpose, several significant capital projects were funded in the regular session, including funding for a new nursing and population health building at UNM's Health Sciences Center, infrastructure at Spaceport America, a new student services facility at Central New Mexico Community College, and a new Department of Public Safety facility in Santa Fe.

LEGISLATION SPOTLIGHT

PASSED LEGISLATION: CRIME AND PUBLIC SAFETY



Bernalillo County District Attorney Raúl Torrez leads a discussion panel with members of his office's Crime Strategies Unit during the Chamber's November 2019 Public Safety Signature Event

PERMANENT CRIME STRATEGIES UNIT

Since 2017, the Chamber has been a key partner with Bernalillo County D.A. Raúl Torrez in establishing and funding New Mexico's first Crime Strategies Unit, a data- and technology-driven group of analysts, investigators, and prosecutors who leverage cutting-edge techniques to identify and bring strong cases against criminal networks and high-impact serial criminals. In the 2018 session, the Chamber and D.A. Torrez secured state funding to create and pilot the Crime Strategies Unit in Albuquerque. Given its success in improving the sophistication and intelligence of crime-fighting in the metro area, a \$750,000 appropriation was secured in the 2020 regular session to make the Crime Strategies Unit a permanent program within the D.A.'s budget. The unit's use of social network analysis helps the D.A.'s Office and local law enforcement prioritize the capture and conviction of well-connected serious criminals. In January 2020, the unit announced that it had used cutting-edge forensic genealogy approaches to solve a long-cold rape case in Albuquerque.



NEW CRIME-FIGHTING TECHNOLOGY IN ALBUQUERQUE

The Chamber joined the City of Albuquerque in securing over \$12.5 million in capital funding to address public safety challenges. APD received funding for license plate readers to stop auto theft, new fingerprinting equipment, new dispatch and data management systems to improve record-keeping and reporting, new police vehicles, a high-tech crime scene investigation van, and a new public safety complex. Additional appropriations were made to Albuquerque Public Schools for school security upgrades.



EXPANSION OF PROVEN DIVERSION PROGRAM

The promising "Law Enforcement Assisted Diversion (LEAD)" program received a \$1 million increase in its budget, which will help certain low-level offenders avoid prosecution, in favor of alternative approaches that have proven to reduce recidivism for some offenders.



CRACKDOWN ON GUN CRIMES

Addressing violent crime in the Albuquerque metro area is one of the Chamber's top priorities. HB6 increases penalties for using a gun in the commission of a crime and for felons found in possession of a firearm.



POLICE ON-BODY CAMERA REQUIREMENT

The Chamber supported special session legislation requiring law enforcement officers in New Mexico to wear on-body cameras, in an effort to continue improving the professionalism and transparency of policing, as well as protect officers and the public alike from false allegations.

LEGISLATION SPOTLIGHT

PASSED LEGISLATION: EDUCATION



Governor Michelle Lujan Grisham signs legislation sponsored by Senator John Arthur Smith (D — Doña Ana, Hidalgo, Luna and Sierra) and Representative Doreen Gallegos (D — Doña Ana) to create a new endowment fund to responsibly and steadily expand early childhood education and care programs in New Mexico.

EARLY CHILDHOOD ENDOWMENT FUND

The Chamber has been one of the longest-standing and most vocal advocates for robust early childhood education as a means of improving readiness for school and the health of the next generation of New Mexicans. In 2019, the Chamber led the way in supporting the establishment of a new cabinet-level Early Childhood Education and Care Department. This year, the Chamber continued this commitment to priming children under the age of five for success by supporting an aggressive initial investment of \$320 million in an Early Childhood Education and Care Endowment Fund which will help ensure a reliable and responsible expansion of early childhood programming. Not only was this an unprecedented investment in our youngest children, but it was also a fiscally responsible way to create a stable source of early childhood funding over the long-term. The initial investment in the fund was pared back to \$300 million during the special session.



TRANSPARENCY OF SCHOOL BUDGETS

As a long-time advocate for education reform — both in education policy and school financing — the Chamber has regularly pushed for legislation that would provide transparency and oversight of the ways districts spend and distribute the nearly \$3 billion in annual state education funding they receive through the state's funding formula. Backed by the Chamber and other education reform advocates like NewMexicoKidsCAN, Senate Bill 96 requires presentation of school-level budgets for the first time in New Mexico's history, and should provide in sight into how the most successful districts and schools support their educational programs, providing unprecedented data on best practices and allowing for more precise analysis and oversight than ever before.



MORE FUNDING TO THE CLASSROOM, WHERE IT BELONGS

Budget language increases the percentage of school funding that large school districts must devote to classroom instruction from 75% to 80% and requires districts with low instructional spending rates to raise instructional spending in order to receive budget approval from the Public Education Department.

SIGNATURE SUCCESSES:

STOPPED LEGISLATION



TAX INCREASE ON HEALTH PLANS

The Chamber opposed a bill that would have offset the savings to consumers of a federal tax reduction on health insurance premiums by imposing a state surtax on medical plans; if passed, this proposal would have made New Mexico's health insurance tax rate the highest in the nation.



MASSIVE GAS TAX INCREASE

An effort to dramatically raise the state gasoline tax by 30 cents per gallon — and to build in automatic escalators in the gas tax in future years — was successfully opposed by the Chamber. Remarkably, under the proposal, only 1/3 of the revenue generated by the tax increase would have gone to road projects.



REPEAL OF THE CAPITAL GAINS TAX DEDUCTION

The Chamber worked with legislators to ultimately stop the passage of HB 148, which would have essentially eliminated New Mexico's capital gains tax deduction to pay for an increase in the Working Families Tax Credit (WFTC) for the second year in a row. Importantly, the Chamber does not oppose increasing the WFTC, but the cost of doing so should be prioritized and accounted for in the standard budget-making process — not by raising taxes on investment activities.



OTHER TAX INCREASES

Working with legislators on both sides of the aisle, the Chamber and its coalition partners successfully kept legislation that would have raised personal or corporate income tax rates from being seriously considered or advanced during both the regular and special legislative sessions.

“Raising taxes on businesses and families is simply not a smart or effective way to grow the economy. It was bad policy in January, when some wanted to justify unsustainable growth in government spending, and it's bad policy now, as businesses and families are trying to recover from the economic effects of the Coronavirus pandemic.”

— Sherman McCorkle, Legislative Session Chair for the Chamber and CEO of the Sandia Science and Technology Park Development Corporation



RECREATIONAL CANNABIS LEGALIZATION

A bill to legalize the production and sale of recreational cannabis in New Mexico stalled in the Senate Judiciary Committee amid bipartisan concerns over the 173-page bill's complexity, its failure to adequately address the concerns of employers, and other reasons. Specifically, the Chamber believed the legislation did not satisfactorily address serious questions relating to the right of employers to have a drug-free workplace and enforce workplace safety, the inability to reliably test for impairment or determine when the drug was used, the challenge of enforcing laws against driving under the influence, and the need for federal government agencies and contractors to comply with federal law.



CHARTER SCHOOL MORATORIUM OR ENROLLMENT CAP

After rallying during the 2019 legislative session to stop proposals that would have stopped any new charter schools from opening in New Mexico and put a cap on the number of students who can attend charters statewide, a strong advocacy coalition that included the Chamber worked ahead of the 2020 legislative session to prevent any further charter moratorium or enrollment cap bills from being introduced. A recent survey found that roughly 7 in 10 Bernalillo County parents oppose placing a moratorium on the opening of new charter schools and a similar percentage believe New Mexico needs more – not fewer – public charter schools.



TAPPING THE PERMANENT FUND

The Chamber opposed an annual effort to increase the distribution from the state's Land Grant Permanent Fund to pay for an expansion in early childhood programs, which would cut into the corpus of the permanent fund and reduce overall distributions to the general fund in future years – which go almost entirely to support public schools and universities. The Chamber instead was a prominent backer of establishing a new endowment fund to specifically pay for the ongoing expansion of early childhood programs, a fiscally wise initiative.



ENERGY DEVELOPMENT REGULATIONS, FRACKING BAN

Legislation to ban fracking as an oil and gas development technique was ultimately not allowed by the Governor to be discussed in either 2020 session, after having been a hot topic in 2019. Such a proposal – or other similar energy development regulations – would cause a significant disruption and drop in state government revenues, over a third of which come from the production of oil and gas.

“Our business community believes in providing more high-quality public education options for our kids and families.

Great charter schools, many of which are lifting the educational achievement of students in poverty who have struggled in other academic settings, should be encouraged to expand and accommodate the often long waiting list of families trying to get their students into these strong public schools.” – Peter Lorenz, Education Policy Committee Chair for the Chamber and CEO of UniRac, Inc.

BUSINESS CONCERNS

COMING OUT OF THE 2020 REGULAR AND SPECIAL SESSIONS

STATE IN A PRECARIOUS FISCAL POSITION

Between Jan. 2019 and Spring 2020, the Legislature and Governor agreed to increase the size of the state budget by about 20%, an unsustainable level of growth that began to be unwound in the special session following the COVID-19 outbreak and crash in energy prices. Still, a looming projected deficit for FY 2021 remains of over \$1 billion, which must be addressed in the 2021 regular session. Lawmakers should prioritize spending reductions and reject the temptation to raise taxes, which would hurt New Mexico's economic recovery.

REJECTION OF TUITION-FREE MEDICAL SCHOOL

Despite New Mexico's significant physician shortage — especially in rural areas — the Legislature failed to pass funding or legislation that would have made medical school in New Mexico tuition-free for future medical professionals who agree to practice in New Mexico.



WRONG WAY ON TAXES

Much-needed tax reforms continue to languish in the Legislature, including the reduction of the gross receipts tax rate that experts and lawmakers have long indicated is overdue and a proposal that would have ended the taxation of social security payments (bringing NM into line with nearly every other state). Meanwhile, proposals continue to be discussed that would do away with the capital gains tax deduction, raise the gas tax, and raise taxes on small businesses and families.

NO ACTION ON CHARTER SCHOOL FACILITIES FINANCING

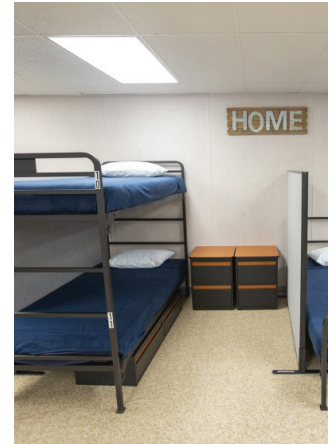
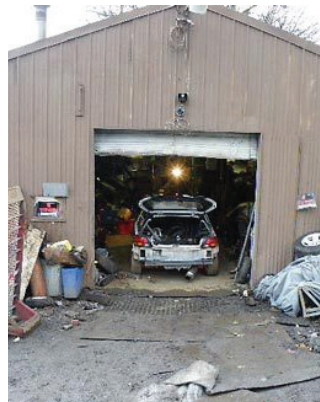
Allowing charter schools to take advantage of the public facilities financing options available to district schools — and thereby avoid spending taxpayer dollars on higher interest rates to private lenders instead of keeping that money in the classroom — would seem to be a common sense course of action, but the Legislature has still not resolved this issue.

OPAQUE, INEFFECTIVE CAPITAL OUTLAY SYSTEM

As has been the case for many years, the process of selecting and appropriating funds for the state's capital outlay projects continues to lack transparency and prioritizes many small, non-shovel-ready projects over larger, more immediate infrastructure needs.

REJECTION OF PENALTIES FOR "CHOP SHOPS"

HB 156 aimed to increase penalties for those operating "chop shops" — garages used for dismantling and selling parts from stolen vehicles — to help curb auto theft, one of the most stubbornly common property crimes in New Mexico and Albuquerque. Unfortunately, despite this bill passing the House on a unanimous 62-0 vote, HB 156 never received a committee hearing in the Senate.



MINIMAL FUNDING FOR THE "GATEWAY CENTER"

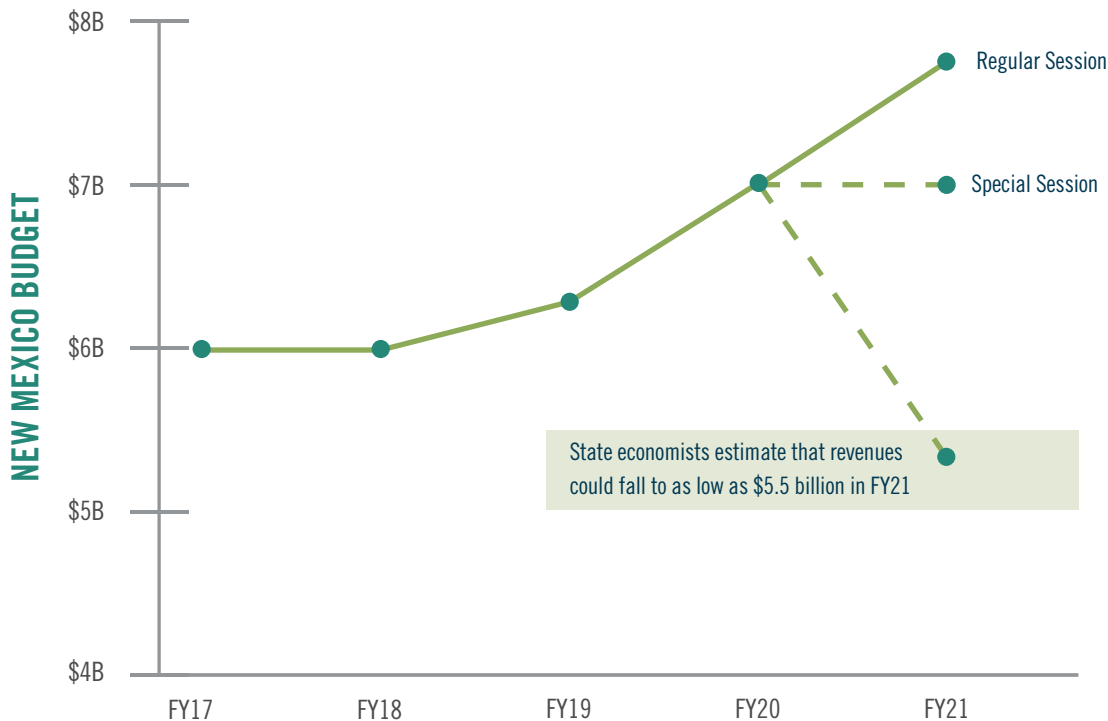
Albuquerque voters stepped up in Nov. 2019 to approve \$14 million in local bond funding for a proposed "Gateway Center" — a single-site, 24/7, low-barrier homeless shelter of the type that has proven effective in other urban areas at reducing homelessness, connecting service providers to individuals and families in need, and freeing up first responders from time-consuming interactions with "down and out" individuals. The City requested matching funds from the state, yet received only \$50,000.

PASSAGE OF PUBLIC SECTOR COLLECTIVE BARGAINING CHANGES

The enactment of significant collective bargaining changes for public employees, which were broadly opposed by many public employers, will place additional pressure on local, state, educational institution, and other government budgets in New Mexico.



THE STATE BUDGET: FROM SURPLUS TO DEFICIT IN THE BLINK OF AN EYE



(Data for this graph is sourced from the Legislative Finance Committee and Consensus Revenue Estimating Group)

Over just two years, the legislature grew the state's budget from \$6.3 billion to \$7.6 billion — an increase of more than 20% driven largely by oil and gas revenues from booming production in the Permian Basin. But only weeks after the close of the 2020 legislative session, twin blows to New Mexico's economy in the form of the global COVID-19 pandemic and international disruptions to energy markets made that budget growth unsustainable. The June 2020 special legislative session lowered the budget to \$7.0 billion, but economic projections indicate that revenues could fall below \$6.0 billion, which indicates that the 55th Legislature will likely have difficult work ahead in reworking the FY21 budget and crafting the FY22 budget.

RESERVE LEVELS		BIG TICKET ITEMS	
FY17	\$500M 8.3%	PUBLIC EDUCATION	\$3.4B +\$200M/+6.4%
FY18	\$1.1B 19.5%	HIGHER EDUCATION	\$900M +\$38M/+4.4%
FY19	\$1.8B 28.9%	MEDICAID	\$1.1B +\$74M/+7.3%
FY20 *	\$900M 12.5%	DEPT. OF HEALTH	\$318M +\$24.8M/+8.4%

SOURCE: Legislative Finance Committee

* projected reserve levels following special session budget adjustments

SOURCE: Legislative Finance Committee



Sen. John Arthur Smith (D — Doña Ana, Hidalgo, Luna and Sierra) will be leaving the Senate after representing District 35 for more than three decades, in addition to serving as the chair of the Senate Finance Committee since 2008. Sen. Smith played a key role in guiding the state through multiple financial and budget crises from the Great Recession through the COVID-19 pandemic, making the hard choices to keep the state financially solvent while maintaining vital services. In recognizing Senator Smith's service during the June 2020 special session, more than one of his colleagues predicted that he would be viewed as one of - if not THE - most important and influential legislator in the modern history of New Mexico. The Chamber couldn't agree more with that sentiment and thanks Sen. Smith for his years of service and sacrifice as a steady hand guiding the state's fiscal health.

A RESPECTED VOICE IN SANTA FE

The Legislative Roundup

The Chamber's legislative team includes business leaders, lobbyists, policy experts, and skilled communicators. Each night during the session, the Chamber publishes an evening newsletter recapping the day's activities at the Roundhouse and providing key insights and information about the issues that matter most to the business community. The nightly "Legislative Roundup" is heralded as a "compelling must-read" by Roundhouse observers, businesses, and legislators alike. "It's a way to bring the voice of businesses to the dialogue in Santa Fe and keep our investors informed regularly on the issues they care about," said Chamber President and CEO Terri Cole. If you'd like to receive the Chamber's play-by-play and analysis during upcoming legislative sessions, please sign up for the "Legislative Roundup" by emailing Chris Narkun at cnarkun@greaterabq.com.

Greater Albuquerque Chamber of Commerce

Legislative RoundUp

54th Legislature, Second Session Thursday, February 20, 2020



WHAT GOES UP MUST STAY UP — HEALTH INSURANCE PREMIUM TAXES

Congress decided to do away with a 2.75% health insurance premium tax used to help cover the cost of running state health care insurance exchanges. Cool - premium costs will go down a bit! Not so fast. State legislators have their eyes on this pot of gold. HB 278, sponsored by Representatives Deborah Armstrong (D - Bernalillo), Javier Martinez (D - Bernalillo), and Elizabeth Thomson (D - Bernalillo), would put in place a new state insurance premium tax at least equal to the federal tax that's going away. This bill will be on the House floor soon.

This is a pretty good chunk of change, too. It's estimated to raise something like \$180 million for the state treasury. About \$100 million would be siphoned off into a yet to be defined "affordability fund" that will (somehow, someday) help pay for health insurance for those who need more financial help. The balance goes to the general fund — a nice \$25 million increase over what the current health insurance premium tax gives to the kitty. Anybody ever consider that maybe letting consumers keep the money would be a great way to help them?

HB 6 PTSD PRESUMPTION FOR FIRST RESPONDERS
House Judiciary Committee Substitute For
HB 6, 35 & 113
Calendar Item # 14 217180.6

THIRD READING

FINAL PASSAGE

E Akbar	Y Chasey	N Garcia, M.P.	Y Martinez, R.	Y Santiana
Y Alcon	N Cuffield	Y Garrao	Y Matthews	Y Schmiedes
Y Allison	Y Cook	Y Harper	Y McQueen	N Scott
Y Anderson	N Crowder	Y Herrera	N Montoya	Y Small
Y Armstrong, D.	Y Dow	Y Hochman-Vigil	Y Nibbel	Y Stansbury
Y Armstrong, G.	Y Egolf	Y Johnson	N Powell-Culbert	Y Stapleton
Y Baldonado	Y Ely	Y Lara	Y Rabin	N Stelckler
Y Bandy	Y Ezzell	Y Lenta	Y Romero, A.	Y Sweetser
Y Barrone	Y Fajardo	Y Lewis	Y Romero, G.A.	Y Thomson
Y Bash	Y Ferray	Y Louis	Y Roybal Caballero	Y Townsend
Y Black	Y Figueroa	Y Lundstrom	N Rubio	Y Trujillo, C.
Y Brown	E Gallegos, D.M.	Y Madrid	Y Ruloba	Y Trujillo, J.
N Cadenia	Y Gallegos, D.V.	Y Masillas	Y Salazar	Y Trujillo, L.
Y Chandler	Y Garcia, H.	Y Martinez, J.	Y Sanchez	Y Zamora

Yeas: 59 Nays: 9 Excused: 2 Absent: 0

OMNIBUS PUBLIC SAFETY BILL ADVANCES TO THE SENATE

It was just yesterday - literally - that we reported to you a very welcomed display of bipartisan cooperation and Executive-Legislative collaboration when the House Judiciary Committee combined several separate public safety bills into one omnibus crime-fighting package, known as House Judiciary Committee Substitute for HB 6, 35 and 115, and sent the bill to the House floor. This evening that bill was taken up by the House and sent to the Senate by a vote of 59-9. Ain't it simply amazing how fast something can move when all the political stars align!

Here's what this new public safety package does:

Increases the penalties for using a firearm in the commission of a crime

- Raises from one year to three years the basic sentence enhancement for a first noncapital felony in which a firearm was used and increases from three years to five years the basic sentence enhancement for a second or



"The Chamber is a well-respected partner in the effort to improve our state. Fiscal responsibility, economic diversification, and data-driven improvements to our public schools and early childhood programs are key to a brighter future, and we're happy to be working with the Chamber on each of these fronts."

— David Abbey, Legislative Finance Committee

"Albuquerque-area businesses are well-represented by our Chamber. Terri and her team are strong advocates, and they're deeply engaged on the important issues facing our state. I've been especially encouraged to see the focus and priority our business community has placed on expanding high-quality early childhood education programs that get results for our kids and families. To the long-term future of our economy, nothing could be more important." — Senator Michael Padilla, District 14 (D — Bernalillo)





Governor Michelle Lujan Grisham opens the 2020 legislative session with her second State of the State Address



Senators James White (R — Bernalillo, Sandoval, Santa Fe, and Torrance) and Jerry Ortiz y Pino (D — Bernalillo) confer on the floor of the Senate



House Appropriations and Finance Chair Patty Lundstrom (D — McKinley and San Juan) presents the state's budget on the floor of the House



Senate President Pro Tempore Mary Kay Papen (D - Doña Ana) chairs the Senate Committees Committee during a hearing



Senator Daniel Ivey-Soto (D — Bernalillo) speaks with House Minority Whip Rod Montoya (R — San Juan) on the House Floor during the special session



Representative Candy Ezzell (R — Chaves) makes her vote clear during a committee hearing



Photos in this publication are courtesy of the Albuquerque Journal

UNCERTAINTY ON THE HORIZON: LOOKING AHEAD TO THE 2021 LEGISLATIVE SESSION

There is unprecedented uncertainty for the business community as we look ahead to the next legislative session, which begins on January 19, 2021.

Here are four key reasons:

*** The state budget is expected to be significantly out of balance**

Even after this year's special session to rein in state spending, New Mexico is projected to face an approximately \$1billion budget deficit in this fiscal year, prompting some in the Legislature to call for significant tax increases on businesses, fuel, and families. Spending on capital projects will also need to be reduced. It remains unknown whether additional federal recovery aid will be passed to help the state weather this fiscal storm and limit the extent to which deep budget cuts must be made.

*** The duration and continued impact of the COVID-19 pandemic on commerce is unknown**

Though the state's broad-based economic shutdown has ended, businesses and consumers continue to wrestle with how to safely engage in commerce in a world with an active pandemic. How will public health orders change? When will a vaccine be available? These are just some of the questions that will continue to impact the pace of our economic recovery and the replenishment of state revenues.

*** It is unclear when oil and gas prices and production will rebound in a significant, sustaining way**

New Mexico's economic health and tax base is heavily dependent on the success of the oil and gas industry. As demand for global energy recovers, it's reasonable to expect that the industry will rebound as well. However, the timeline on which prices and production levels will recover is largely unknown and unpredictable, as are geopolitical events and agreements that have a sizable impact on the state's energy outlook.

*** The ideological composition of the New Mexico Senate is changing - in a big way**

With the recent deaths of Sens. Carlos Cisneros and John Pinto, the coming retirement of Sens. John Sapien and William Payne, and the June 2020 primary election defeats of seven sitting senators (many of whom are long-serving leaders in the body), the Senate is losing over 200 years of collective expertise and risks becoming a more partisan, contentious chamber.

For everything that is unclear, one thing is certain: come January, the Governor and lawmakers will have a heavy lift on their hands to repair our state's finances in a way that allows for our economy to be rebuilt and thrive once again.

2021 SESSION DETAILS

December 16, 2020 - January 17

Legislation may be pre-filed

January 19

Opening day (noon), including the Governor's State of the State Address

February 18

Deadline for introduction of legislation

March 20

Session ends (noon)

April 9

Legislation not acted upon by governor is pocket vetoed

June 18

Effective date of legislation not a general appropriation bill or a bill carrying an emergency clause or other specified date





Invested in New Mexico.

We are too.

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