



2021

NEW MEXICO LEGISLATIVE SUMMARY



PANDEMIC POLICYMAKING:

FIRST-EVER VIRTUAL SESSION TACKLES RELIEF, RECOVERY, AND OTHER BIG TOPICS



As 2021 began, in the midst of the COVID-19 pandemic, the New Mexico Legislature convened under extraordinary circumstances. Lawmakers met virtually. Public participation in the legislative process was more limited and less personal. The state's fiscal health had been damaged, but was improving relative to earlier dire forecasts. Unemployment remained high, and the unemployment compensation fund was propped up by federal loans. And, small businesses that had been shuttered or otherwise impacted by restrictions on economic activity for nearly a year were reeling and in need of help.

The Legislature and the Governor - with the backing of the Chamber and its partners - set out to prioritize short-term relief for workers and small businesses affected by the pandemic. This would include consideration of a second round of recovery grants to businesses, regulatory relief for certain hard-hit sectors, and stimulus payments to low-income essential workers.

But that wasn't all that was on the Legislature's and Governor's priority lists... interestingly, and despite the pandemic's devastating impact on businesses, a more partisan and liberal House and Senate would begin advancing more than a dozen proposals to raise taxes, increase costs on small businesses, make it easier to sue employers, and stop oil and gas production. The legalization of recreational cannabis use by adults would also prove to be a hot topic all session long - too hot to handle in 60 days, in fact. A rare special session would be called by the Governor to finish the task of legalizing adult-use cannabis just 10 days after the regular session concluded.

And during the session, Congress and a new President debated the size and scope of another federal COVID-19 relief bill, which was signed into law and will send New Mexico over \$1.7 billion in additional relief, setting up a showdown over whether it's the Legislature's or Governor's responsibility to appropriate that kind of federal money.

AT A GLANCE: THE 2021 LEGISLATIVE SESSION

Composition of the Legislature	
NM House of Representatives	70 members (45 Democrats, 24 Republicans, 1 Other)
NM Senate	42 members (27 Democrats, 15 Republicans)

Legislation Introduced and Passed – 60 Days	
Bills, resolutions, and memorials introduced ** compare to 2019 (1663 bills) and 2017 (1473 bills)	926
Bills, resolutions, and memorials passed by both the House and Senate	158
Bills vetoed by the Governor	18

THE 2021 SPECIAL LEGISLATIVE SESSION

Legislation Introduced and Passed – 2 Days	
Bills, resolutions, and memorials introduced	10
Bills, resolutions, and memorials passed by both the House and Senate	4

House Bill 2

Legalizes recreational cannabis use for adults and lays out taxation and a 10-license structure for its production and sale

Senate Bill 1

Creates a new tool to attract and land large economic development projects by allowing counties, municipalities, and the state to agree to dedicate 50% of local GRT generated by construction costs to the project

Senate Bill 2

Automatically expunges records of certain cannabis-related arrests and convictions

The Greater ABQ Chamber of Commerce:

An Effective Advocate for Economic Growth in New Mexico

GACC LEGISLATIVE TEAM

Kyle Beasley
Chair of the Board

Terri Cole
President/CEO

Norm Becker
Chair-Elect

Mike Canfield
Immediate Past Chair

Sherman McCorkle
Legislative Advocacy Chair

JD Bullington
Lobbyist

Scott Darnell
Strategy, Policy, and Communications

Sara Fitzgerald
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 - especially as we emerge from a pandemic that has cost businesses and their workers so much. 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 2021, we added a critical fifth focus area: **pandemic relief and recovery.**

The Chamber's legislative team - which includes business leaders, lobbyists, policy experts, and skilled communicators - worked to stave off unemployment insurance rate increases, create new grant and loan programs - totaling \$700 million - to help businesses recover from the pandemic, and abate fees and taxes for certain hard-hit sectors. We supported an increase in infrastructure spending, including highway construction and a new effort to expand broadband internet access. Economic development incentives were strengthened, and tourism spending was raised. Despite an improvement in the state's fiscal picture, the Chamber was successful in urging spending restraint and staving off an attempt to weaken and reduce the state's rainy day fund, which has proven successful in helping New Mexico weather recent downturns. And, though the Legislature passed an onerous mandatory sick leave measure, the Chamber was instrumental in stopping FIFTEEN other proposals to raise taxes on businesses, families, and gasoline; increase worker's compensation and unemployment insurance fees; make it easier to sue businesses; reduce oil and gas production; increase the minimum wage; establish a public bank; and create a government-run single-payer healthcare system.

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 were able to work alongside important partners 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,



Kyle Beasley

Kyle Beasley,
GACC Chairman of the Board
Senior Vice President, Bank of Albuquerque



Terri Cole

Terri Cole,
President and CEO
Greater ABQ Chamber of Commerce



Sherman McCorkle

Sherman McCorkle,
GACC Legislative Advocacy Chair
CEO, Sandia Science & 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



LOW-INTEREST BUSINESS LOANS

The Legislature retooled the Small Business Recovery Act, enacted in 2020, to encourage more businesses to access low-interest recovery loans. The bill provides up to \$500 million in low-interest loans of up to \$150,000 apiece to businesses demonstrating a revenue decline during the pandemic. The Chamber supported the changes to this loan program. The loans are interest-free for the first year, and require interest-only payments for the subsequent two years.



SMALL BUSINESS GRANTS

With businesses hanging on by a thread and unable to take on additional debt, the Chamber worked to secure \$200 million in grants of up to \$100,000 apiece for small businesses. Employers can use these funds to make lease, rent, and mortgage payments, as well as other operating costs.



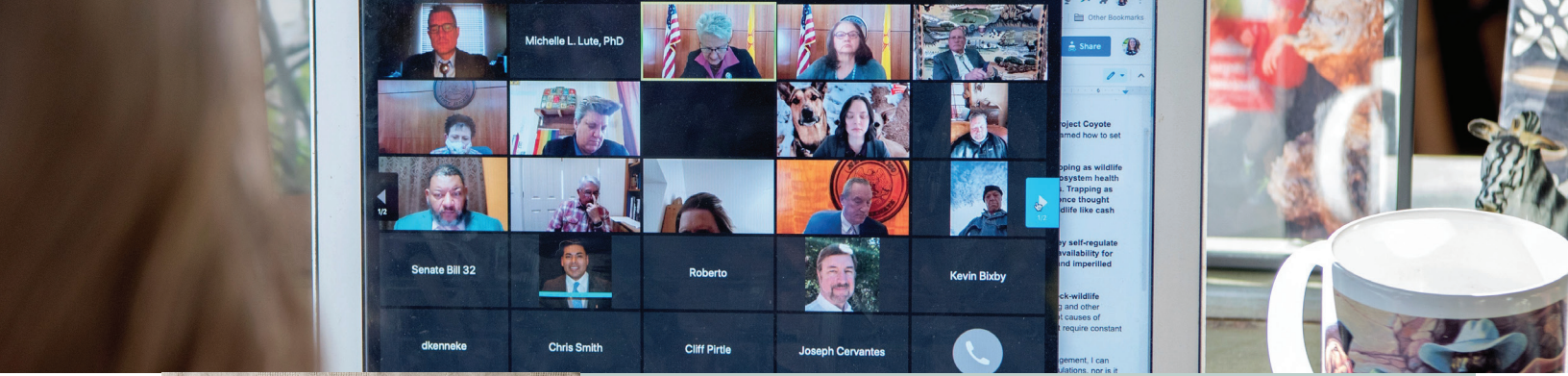
TAX RELIEF, FEE WAIVERS, AND LIQUOR DELIVERY

The Chamber supported a \$600 tax rebate for low-income essential workers, a four-month gross receipts tax holiday for restaurants, a one-time waiver of liquor license fees for bars and restaurants, and the enactment of legislation allowing for the delivery of alcohol.



UNEMPLOYMENT INSURANCE INFUSION

The Chamber called for at least a \$300 million investment in the state's unemployment compensation fund, in order to prevent rate spikes on employers and begin to replenish the depleted fund. The Legislature and Governor authorized this amount, though an ongoing dispute remains over an additional \$600 million in federal money the Legislature allocated to the unemployment compensation fund that was vetoed by the Governor.



ENHANCED ECONOMIC DEVELOPMENT INCENTIVES

The Chamber and its partners worked to secure an additional \$30 million for the state's closing fund to attract new businesses and encourage business expansions, as well as \$12 million for the Job Training Incentive Program (JTIP). Additionally, the Chamber strongly supported legislation that equips local governments and the state with a GRT revenue-sharing tool that allows them to amass additional resources to land very large economic development projects (over \$350 million in construction).



SPACE FLIGHT LIABILITY PROTECTION

The Chamber was a vocal supporter of legislation that will expand the definition of "launch vehicle" and make the provisions of the Space Flight Informed Consent Act permanent, providing a continued "boost" to this important growing industry.



BROADBAND EXPANSION AND FUNDING

A year of isolation has underscored the need for reliable, high-speed internet connectivity in New Mexico. The Chamber helped pass bills establishing a state broadband office to coordinate broadband expansion projects and negotiate rights of way and easement access, as well as improve rural and tribal access to broadband. \$133 million in funding for broadband projects is also contained in the state budget (allowing the state to access another \$955 million in federal funding).



CAPITAL PROJECTS TRANSPARENCY

A perennial fight for the Chamber, the Legislature - at long last - passed legislation requiring the publishing of all capital outlay projects after each session, including which legislators contributed capital dollars to each project and in what amounts. While there's still more to be done to improve the capital outlay process, this is a step in the right direction.

LEGISLATION SPOTLIGHT

PASSED LEGISLATION: PUBLIC SAFETY AND EDUCATION



PUBLIC SAFETY – CRITICAL CAPITAL PROJECTS

The Chamber worked with the City of Albuquerque to secure capital funding for:

- \$445,000 to expand **gunshot detection** technology across the city
- \$4.5 million to merge the Real Time Crime Center and regional Traffic Management Center
- \$825,000 for APD information **technology upgrades**
- \$8 million for statewide public safety radio communications upgrades

The Chamber helped secure \$4 million in capital funding for a “**Gateway Center**” **overnight shelter** facility for the homeless in Albuquerque. The center will provide coordinated care and services - including some medical treatment - for the homeless and serve as a drop-off point for first responders.



EDUCATION

Extended Learning Time

The Chamber's top education priority, the Legislature allocated \$230 million in funding to expand the school year in all grades to help students recover from pandemic learning loss.

Charter Schools

No legislation was passed - or even proposed - to put a moratorium on the opening of new charter schools or cap the number of students who can attend charter schools. Additionally, the Chamber supported successful legislation that creates an enrollment preference for charter school employees' children, allowing their students to attend the school where they work.

80% of residents believe charter schools improve public education in New Mexico

9 in 10 parents favor increasing public charter school options

A survey of Bernalillo County residents, conducted by Research & Polling Inc. near the end of 2020, shows overwhelming public support for the opening and expansion of public charter schools: 3 in 4 Bernalillo County residents - and nearly 9 in 10 parents - favor expanding public charter school options. 80% of residents believe charter schools improve public education in our city and our state.

SIGNATURE SUCCESSES:

STOPPED LEGISLATION



PERSONAL, SMALL BUSINESS, AND CORPORATE INCOME TAX INCREASES

The Chamber opposed legislation that would have created new personal income tax brackets and raised tax rates on middle- and upper-income earners and small businesses. The bill would have also virtually eliminated New Mexico's capital gains deduction.



MINIMUM WAGE INCREASE

HB 110 would have raised the minimum wage to \$15 by 2024, even though a 2019 increase raised the state's minimum wage to \$9 this January and requires another increase to \$12 by 2023. The bill would have also indexed the minimum wage rate to rise annually over time, leading to ever-increasing burdens on small businesses.



GAS TAX INCREASE

The Chamber supports increasing the State's investment in highway construction and road maintenance and backs additional general fund and capital expenditures for these projects. However, raising the gas tax in the midst of a pandemic, as Senate Bill 168 would have done, would have added burdens on business sectors that rely on gasoline as a key input to their work and hurt consumers at the gas pump.

Source: NM Oil and Gas Association and NM Tax Research Institute

“Raising taxes on businesses and families is simply not a smart or effective way to grow the economy, and it would hurt our recovery from the pandemic. It's also not wise to impose new and unnecessary regulations and costs on small businesses, make it easier to sue employers, or restrict energy production. We need to compete for jobs, not enact policies that drive businesses and workers to other states.”



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

SIGNATURE SUCCESSES:

STOPPED LEGISLATION



PRIVATE “RIGHT OF ACTION” LAWSUITS

The Chamber and its various partners strongly opposed legislation that would have allowed anyone to sue another person or company to “enforce” provisions of the Oil and Gas Act, the Air Quality Control Act, the Hazardous Waste Act, the Solid Waste Act, and the Water Quality Act. The bill would have led to an explosion in the number of frivolous lawsuits filed in New Mexico - especially against businesses in the manufacturing and energy sectors



ENVIRONMENTAL PROTECTION CONSTITUTIONAL AMENDMENT

The Chamber opposed a Senate Joint Resolution that would have made clean water, air, and land a constitutional right, believing it would lead to costly and likely frivolous litigation against the State and put the Courts - as opposed to regulatory agencies and the Legislature - in charge of environmental protection policies.



ATTEMPTS TO RESTRICT OIL AND GAS PRODUCTION

SB 86 sought to ban the use of freshwater in drilling and SB 149 would have banned hydraulic fracturing in New Mexico entirely. Either of these bills would have ground oil and gas production to a halt, leading to job losses in a key New Mexico industry and dramatically cutting state and local government revenues to public schools, hospitals, and other core government services.

FY20 TOTAL REVENUES \$2.801 BILLION | 33.5%



TOTAL REVENUES
\$2.8 BILLION
33.5%

OIL AND NATURAL GAS CONTRIBUTES
\$2.8 BILLION
TO NEW MEXICO'S STATE BUDGET

Source: NM Oil and Gas Association and NM Tax Research Institute.



MANDATORY FAMILY AND MEDICAL LEAVE

HB 38 would have required businesses to provide employees with 12 weeks of family and medical leave within a 12-month period to deal with medical issues for themselves, their family, or any additional person they designate – in addition to any other leave the employer offers. It would have been one of the most onerous and unbalanced family leave policies in the country. To fund this leave, employers and employees would have both had to pay into a state fund.



GOVERNMENT HEALTHCARE

To lay the groundwork for a state-run, single payer healthcare system, House Bill 203 proposed the creation of a board to make recommendations for its design. The Chamber opposed the bill, which died in the House Appropriations and Finance Committee. A government-run healthcare scheme would be costly to the state, sideline private health insurance, drive high-quality doctors out of the state, and increase health care costs for many New Mexicans.



PUBLIC BANKING

The Chamber opposed the creation of a state bank, believing it was a policy solution in search of a problem. It would have encouraged riskier state investments with taxpayer dollars, created additional unnecessary state bureaucracy, and would have lacked the important security and efficiencies that established private banks can offer their clients.



WORKERS' COMPENSATION INCREASES

House Bill 268 sought to create a presumption that positive COVID-19 cases were contracted at an employee's workplace for the purposes of workers' compensation. The Chamber advocated against this bill at each of its hearings to protect responsible businesses from being unfairly burdened with costly workers' compensation payouts, especially when the current workers' compensation system had proven effective.

“There were a lot of efforts in the Legislature to raise costs on businesses - and at a time when they could afford it the least, as they fought through the pandemic. The Chamber held its ground to shield our businesses from those measures.”

— Kyle Beasley, GACC Chairman of the Board Senior Vice President, Bank of Albuquerque

BUSINESS CONCERNS

COMING OUT OF THE 2021 REGULAR AND SPECIAL SESSIONS

MANDATORY PAID SICK LEAVE

Though at least 15 proposals were defeated that would have raised costs on or otherwise hurt New Mexico businesses, a bill that requires all businesses to provide 64 hours of paid sick leave to employees passed the Legislature and was signed by the Governor. It will most severely impact small employers that do not already have a generous paid time off policy for employees.



PLETHORA OF ANTI-BUSINESS BILLS

A slew of legislation was proposed - and advanced through committees - that would have raised costs on businesses, made it easier to sue employers, raised taxes on businesses and families, and made it harder to recruit and retain top talent and skilled professionals. This does not bode well for the future. Though the measures were defeated, even the consideration of so many anti-business bills makes New Mexico seem less welcoming and less competitive for private sector growth.

HIGHER HEALTH CARE PREMIUMS

The Legislature passed and the Governor signed legislation increasing the state's tax on health insurance plans to the highest in the country, which will likely increase health care premiums for businesses and employees.



NO ACTION ON CHARTER SCHOOL FACILITIES FUNDING

Finding adequate and affordable facilities remains one of the top challenges for public charter schools. SB 318 would have required school districts to make unused facilities available to charters and would have set up a revolving loan fund to help finance charter school rent, leases, or new construction. The bill passed the Senate Education Committee unanimously, but was never heard in the Senate Finance Committee.



STILL NO CRIME OF "CHOP SHOPS"

A bill to increase penalties for operating "chop shops," garages used for dismantling and selling parts from stolen vehicles, passed the House unanimously (68-0). Unfortunately, as in the 2020 session, the bill never received a Senate hearing.



REJECTION OF VICTIM PROTECTIONS

The criminal defense bar stopped legislation that would have protected child victims and other incapacitated victims of violent crime from badgering and traumatic pre-trial interviews by defense attorneys - a practice that occurs in New Mexico, but not most other states. Unprotected and uncooperative victims lead to unprosecuted crimes, which only worsens our state's public safety challenges.

NO ACTION ON PRE-TRIAL RELEASE

New Mexico continues to release serious defendants from jail pre-trial, only to see them go on to commit additional violent and serious property crimes. It's an alarming problem, and the Legislature appears completely disinterested in solving the "revolving door" problem in our justice system.

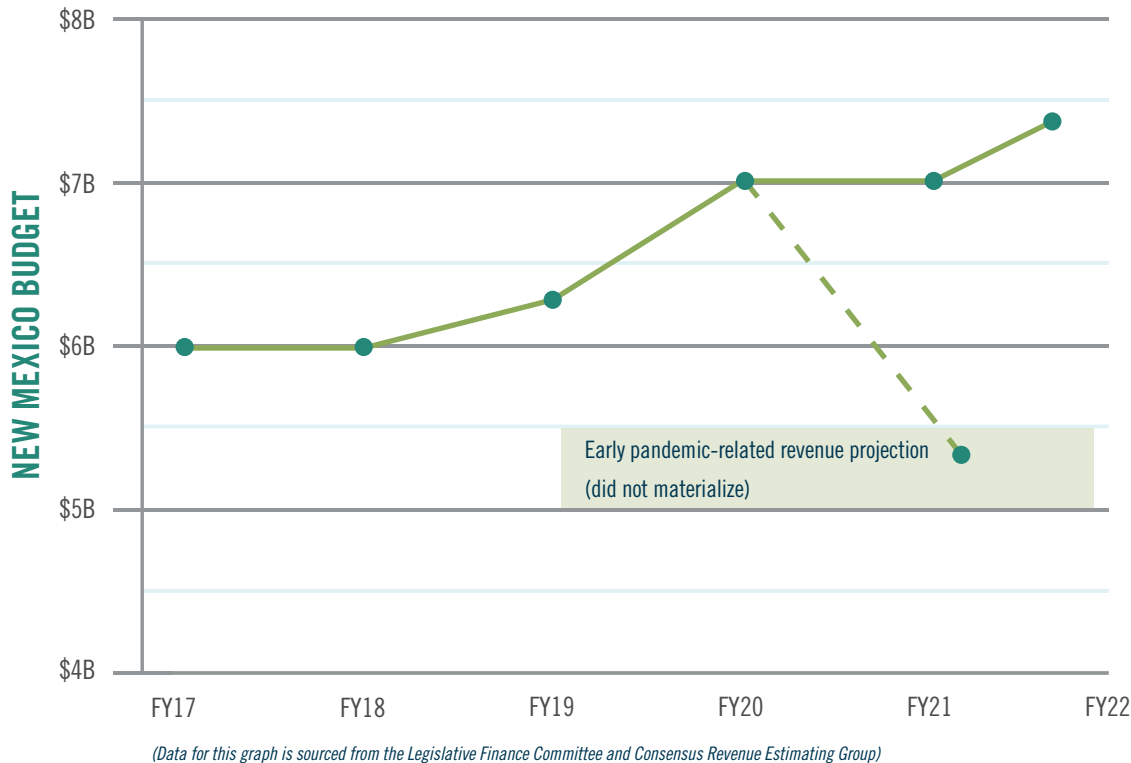
IMPACT OF CANNABIS LEGALIZATION

After years of failing to pass a bill legalizing recreational, adult-use cannabis, HB 2 passed in the 2021 special session, creating a 10-license system, taxation, and local authority to regulate when, where, and how products are sold. It remains to be seen whether the steep tax on legalized recreational cannabis, at up to 27% when it's fully phased in by 2031, will allow legal dispensaries to compete with the illicit market. The bill contains language allowing businesses to enforce a drug-free workplace, but concerns remain about the likelihood of employment litigation in the absence of an objective impairment test for cannabis use. Additionally, the Legislature disappointingly passed up an opportunity to put in place a strong framework for prosecuting drugged driving during the special session



THE STATE BUDGET:

FEDERAL FUNDS, OIL / GAS KEEP NM AFLOAT



When the COVID-19 pandemic hit, spending levels were revised during a summer special session to keep spending flat; economists predicted revenues might fall to as low as \$5.5 billion. Thankfully, that didn't come about - oil and gas revenues rebounded faster than expected and federal funding streamed in. The FY20-21 budget was supported by \$9.3 billion in federal stimulus funding; the General Appropriations Act for FY22 included some appropriations of federal funding that were later vetoed, but the state expects at least another \$1.75 billion in federal stimulus. This year's budget is 4.8% or about \$373 million larger than FY21's.

RESERVE LEVELS		BIG TICKET ITEMS	
FY17	\$500M 8.3%	PUBLIC EDUCATION	\$3.4B (+\$176M/+5.5%)
FY18	\$1.1B 19.5%	HIGHER EDUCATION	866.8M (+\$26.1M/+3.1%)
FY19	\$1.8B 28.9%	MEDICAID	\$1B (+\$64.2M/+6.7%)
FY20	\$900M 12.5%	DEPT. OF HEALTH	\$313M (+\$10.8M/+3.6%)
FY21	\$1.77B 23.8%	DEPT. OF CORRECTIONS	\$327.9M (-\$1.9M/-0.6%)

SOURCE: Legislative Finance Committee

SOURCE: Legislative Finance Committee



SPOTLIGHT: SENATE BILL 59 TAX STABILIZATION RESERVE CHANGES

SB 59 proposed diverting more money destined for the Tax Stabilization Reserve Fund (rainy day fund) into the state's operating reserves for easier appropriation by the Legislature. The capture of excess oil and gas revenues into the Tax Stabilization Reserve Fund has been credited for helping the State weather recent economic downturns and manage through revenue stability. The Chamber believes it's not prudent to make it easier for the Legislature to spend reserve dollars that keep our sizable rainy day fund in tact. Fortunately, the legislation was defeated, though it's likely to continue being pushed in future sessions.

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 Sara Fitzgerald at sfitzgerald@greaterabq.com.

Greater Albuquerque Chamber of Commerce

Legislative RoundUp

Senate Sends Pandemic Relief Package to House



Senate Majority Leader Peter Wirth (D-Santa Fe) - pictured above - presented SB 1 to the Senate with assistance from Senators Jacob Candelaria (D-Bernalillo) and Siah Correa Hemphill (D-Catron, Grant and Socorro). The Senate approved the measure by a vote of 42-0.

This bill has two parts: the first would provide a \$600 refundable tax credit for resident personal income taxpayers with an AGI of \$31,200 and who qualify for the working families tax credit. The purpose of this approach is to target those workers who have been most dramatically affected during the pandemic. The data are clear that lower-income workers were more likely to lose their jobs or have their hours reduced.

Senate Judiciary Amendments to Mandatory Leave Bill Don't Help Small Businesses



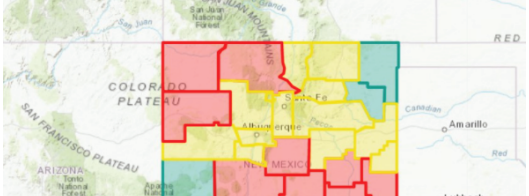
The Senate Judiciary Committee missed a golden opportunity to modify HB 20, the proposed paid sick leave act, to help small businesses in the state. A battery of business representatives, Terri Cole with the Albuquerque Chamber, Ernie C'DeBaca with the Hispano Chamber, Bill Lee with the Gallup/McKinley County Chamber of Commerce, and Rob Black with the New Mexico Chamber of Commerce all presented compelling testimony seeking an exemption for smaller employers and a requirement that local governments couldn't pass their own paid sick leave programs.

Senator Daniel Ivey-Soto (D-Bernalillo) made an attempt to persuade the sponsors to restructure the bill to follow the structure of the federal Family and Medical Leave Act, which would result in exempting small businesses with 15 or fewer employees (Ivey-Soto said he'd compromise to that number as compared to the less than 50 employees in FMLA). Moreover, as Ivey-Soto pointed out, employers are familiar with how to navigate the FMLA regulatory structure and this would make compliance more straightforward.

The sponsors rejected this request as they've rejected every request for a small business exemption. Representative Christine Chandler (D-Los Alamos, Rio Arriba, Sandoval and Santa Fe), the lead cosponsor of the measure, stated (and quite incorrectly) that she thought that 80% of employees are employed in firms with 20 or less employees but that she really hadn't done the research.

Well, we've done the research and here are the facts straight from the Small

GRT Relief and "Yellow Level"





"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

"I've collaborated with the Chamber for nearly 30 years - it's the most formidable force in New Mexico for advocating for small businesses, both in Albuquerque and throughout the state."

— Brian Sanderoff, President of Research and Polling, Inc.





Gov. Michelle Lujan Grisham, center, bumps elbows with Sen. Maj. Leader Peter Wirth, D-Santa Fe, after a news conference and the end of the 2021 legislative session Saturday March 20, 2021. With them is Sen. Maj. Whip Linda Lopez, D-Albuquerque, second from right, and other leaders. (Eddie Moore/Albuquerque Journal)



The House of Representatives held a limited floor session at the Roundhouse on Thursday February 4, 2021. Almost all Democrats, their seats are in the foreground, were working remotely during the session while many Republicans were on the floor. (Eddie Moore/Albuquerque Journal)



House Minority Whip Rod Montoya, R-Farmington, and House Minority Leader James Townsend, R-Artesia, talk with House Speaker Brian Egolf, D-Santa Fe, during debate of a civil rights bill in the House Tuesday February 16, 2021. The bill, HB 4, that Egolf is co-sponsor, removes qualified immunity for some public officials who commit civil rights violations. (Eddie Moore/Albuquerque Journal)



An information board along I-25 tells people some of the rules put in place by the emergency health order to help prevent the spread of COVID-19. The Legislature considered a bill that proposed scaling back some of the Governor's emergency powers. Photo shot Wednesday February 3, 2021. (Eddie Moore/Albuquerque Journal)



From left, Sen. Joshua Sanchez, R-Bosque and Sen. Crystal Diamond, R-Elephant Butte, along with other senators take their oath of ethical conduct at the start of the 2021 legislative session in the State Capitol Tuesday January 19, 2021. They are 2 of the 11 new members of the New Mexico Senate this year. (Eddie Moore/Albuquerque Journal)



Rep. Javier Martinez, D-Albuquerque, answers questions about HB 2, a bill to make recreational cannabis legal for adults, during a special session in Santa Fe, Wednesday March 31, 2021. Martinez was presenting the bill from his office at the Roundhouse. (Eddie Moore/Albuquerque Journal)

UNCERTAINTY ON THE HORIZON: LOOKING AHEAD TO THE 2022 LEGISLATIVE SESSION

As COVID-19 vaccines continue to be administered and positive cases trend downward, a fully reopened economy lies ahead. The future, however, remains anything but predictable.

Here are four key areas of uncertainty:

It's unclear how federal COVID-19 assistance funding will be spent in New Mexico

The Legislature appropriated \$1.75 billion in federal recovery aid at the end of the 2021 regular session, only to see the Governor veto the funding as part of an ongoing dispute over which branch of government can/should decide how federal monies are spent. The Legislature included \$600 million in its appropriation of the federal funds to replenish the unemployment compensation fund and stave off steep increases in the unemployment insurance rates businesses pay. How this standoff gets resolved remains unknown, but it's crystal clear that the state's fiscal health and New Mexico's broader economic recovery depends - at least in part - on this federal help.

The timeline for recovery of certain sectors - especially tourism, leisure, and hospitality - is unknown.

Tourism, leisure, and hospitality is an economic driver in New Mexico and the lifeblood of many rural communities, in particular. The sector lost 30,000 jobs during the pandemic (it was roaring and growing beforehand), and it could take three-to-five years to return to pre-pandemic employment levels.

Oil and gas production is under attack at the state and federal level, which could impact revenues to public schools and state/local governments in New Mexico.

New state environmental regulations, the threat of anti-drilling measures in the Legislature, and a new presidential administration that has halted new oil and gas extraction on federal lands have created great uncertainty about the future of an economic sector that is literally the backbone of the state budget and a primary funder of public education in New Mexico.

Will the Legislature continue to propose anti-business legislation and higher taxes?

The 2021 regular session saw what seemed to be a record number of bills filed that would have raised taxes, imposed new costs, or otherwise harmed small businesses in New Mexico -- all a seeming by-product of a more partisan and ideological Legislature than ever before. With gubernatorial and House elections looming in 2022, will higher taxes and anti-business bills still be on the table? Or will cooler heads - and a more reasonable approach - prevail? And, how will the upcoming redistricting special session affect district boundaries and the composition of future Legislatures?

To stay informed between now and next session, visit us at GreaterAbq.com.

2022 SESSION DETAILS

January 4, 2022 - January 14

Legislation may be pre-filed

January 18

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

February 2

Deadline for introduction of legislation

February 17

Session ends (noon)

March 9

Legislation not acted upon by governor is pocket vetoed

May 18

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

Note: A special session will be held in late 2021 to draw new district boundaries for the House, Senate, Congressional seats, and the Public Education Commission.



MADE IN NEW MEXICO. BUILT TO LAST.

New Mexico Mutual understands that work has the power to transform lives. So for 30 years, we've made it our mission to keep New Mexico workers safe—and on the job. We help them recover and get back to work after an injury. And to keep injuries from occurring in the first place, we help businesses make their operations safe and accident free.

Serving our state has been our passion through good times and challenging times, and it's made us New Mexico's largest workers' compensation insurer.

Rest assured, our commitment to your safety and security remains as strong as ever. We're here for you, New Mexico—for the next 30 years and beyond.



YOUR SAFETY
YOUR SECURITY
OUR PASSION

505.345.7260 | NewMexicoMutual.com



WE'RE MERGING TO POWER UP NEW MEXICO'S ECONOMY.



The PNM parent company is joining forces with AVANGRID, a world leader in **renewable** energy.

Why merge?



Transform our state's renewable potential.



Introduce New Mexico to **AVANGRID**, a company that reflects our state's values.

Who is AVANGRID?



A three-time honoree as one of the **World's Most Ethical Companies.***



#1 ranked company** within the utility industry for its commitment to the **environment** and the **communities** it serves.



How will this help New Mexico?



AVANGRID is choosing New Mexico to invest nearly **\$200 million in economic development.**



The merger will accelerate PNM's existing **carbon-free** goals.



Learn more at [PNM.com/whatif](https://www.pnm.com/whatif)

*Awarded by Ethisphere, a global leader in defining and advancing the standards of ethical business practices.

**Ranked by FORBES and JUST Capital, 2021.



Together for New Mexico.

