



NEW MEXICO LEGISLATIVE SUMMARY



2024



GREATER
ALBUQUERQUE
CHAMBER OF COMMERCE



ONCE AGAIN, N.M.’S BIGGEST BUDGET EVER

More Money Socked Away, Lots of Bills Signed – But Will It Move Our State Forward?

It was supposed to be a budget-centric session. And yet the 2024 Legislature saw not only the state’s first \$10 billion-with-a-”b” budget, thanks to more record revenues courtesy of the oil and gas industry, but also bills ranging from locking up felons in possession of a firearm to creating a Smokey Bear license plate.

Guess which one made it to the governor’s desk? If you bet on the bear, you’re right.

With a whopping 661 bills introduced, and 72 making it through both chambers to the governor’s desk, this year’s short session was very productive based on raw numbers. But will the 69 signed pieces of legislation make positive impacts on New Mexicans?

With no disrespect to Smokey, yes and no.

In the “yes – we stopped it category,” often bad bills the Chamber helps defeat are as important as good bills we help get passed. In the former, put a Paid Family Medical Leave bill both vague and overarching, as well as a plan to return to a state Board of Education abandoned years ago for lack of accountability. Add two purported pro-environment bills that would have simply drummed up endless, costly litigation.

In the “yes – we got it done category,” the Chamber successfully advocated for hundreds of millions for state reserves and scholarships, plus matching funds for infrastructure and workforce/affordable housing and a metric to test-drive programs before baking them into budgets. The tax package includes many Chamber priorities, first responders get financial incentives to stay at/return to work to keep us safer, and mandatory school board training and transparency should improve our public schools.

Firmly in the “no” column, lawmakers took a swipe at job- and wealth-creators, gutting the capital gains tax deduction – shocking considering record revenues. Aggressively fighting crime remains the inexplicable third rail. And lawmakers refused to require a financial literacy course to give students firmer fiscal footing for their futures.

So while some of what did get done will help New Mexicans, much of what did not get done (and the message sent by bad bills lawmakers tried to push through) will hinder our ability to attract employers and employees to, and keep New Mexicans in, a state with the potential to be so much more.



At a Glance: 2024 Legislative Session

Composition of the Legislature

NM House of Representatives	70 members (45 Democrats, 25 Republicans)
NM Senate	42 members (27 Democrats, 15 Republicans)

Legislation Introduced and Passed – 30 Days

Bills, resolutions, and memorials introduced **compared to 2022 (642) and 2020 (914)	777
Bills, resolutions, and memorials passed by both the House and Senate	72
Bills vetoed by the Governor	1 (plus 2 pocket vetoes)

A Very Busy Ballot for Election 2024

Before N.M. voters: All 70 members of the state House and all 42 members of the state Senate – with new faces as many incumbents have decided to not seek re-election or are trying to switch chambers. Nine state representatives are not seeking re-election, and 12 state senators are not seeking re-election.

Also on the ballot: one of N.M.’s two U.S. senators and all three U.S. House representatives; five Public Education commissioners; a state Supreme Court justice and three appellate judges up for retention; plus four constitutional amendments and four statewide bond issues. Plus, voters will decide myriad local government races.

THE GREATER ABQ CHAMBER OF COMMERCE:

An Effective Advocate for Economic Growth in New Mexico



GACC LEGISLATIVE TEAM

Bruce Stidworthy
Chairman of the Board

Terri Cole
President/CEO

Del Esparza
Chair-Elect

Peter Lorenz
Immediate Past Chair

Sherman McCorkle
Legislative Advocacy Chair

JD Bullington
Lobbyist

Scott Darnell
Strategy, Policy and Communications

D'Val Westphal
Policy, Communications and Lobbyist

Sara Fitzgerald
Policy, Communications and Lobbyist

Marc Christensen
Legislative Roundup

Dear Chamber Investors,

The Greater Albuquerque Chamber of Commerce works with government, business and community partners to promote and develop 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.

To that end, the Chamber's Board of Directors lays out distinct legislative priorities in advance of each session to further its broad economic policy goals, including in the areas of tax reform, economic development, education, public safety and Downtown revitalization; its legislative team – which includes business leaders, lobbyists, policy experts and skilled communicators – works to make them a reality.

Most notably this session, the Chamber successfully defeated attempts to impose an onerous paid family/medical leave mandate/new tax on businesses and workers, restrict oil and gas production, replace the appointed public education secretary with an unaccountable, mostly-elected state board, and create a trial lawyer cottage industry with a state version of the so-called Green Amendment. On the issue of tax reform, the Chamber helped defeat exorbitant increases on alcohol, eliminate the tax on military retirement benefits and push through new and fairer personal income-tax brackets that help all New Mexico taxpayers, especially our working folks in the lower and middle classes.

On the issue of crime, we worked hard and got bills through that target repeat felony offenders and those convicted of second-degree murder. For fiscal stability, we championed initiatives that will continue to shore up our reserves. Regarding economic development, a new fund will make it easier for governments to secure the matching funds needed for grants as well as provide loans for affordable and workforce housing. In education, we helped secure more funding to keep the Opportunity and Lottery scholarships solvent, put new training and transparency requirements into law for our school boards, and ensured our charter schools will be able to secure lease assistance and low-interest loans for facility projects. As for capital outlay, projects from Balloon Fiesta Park to the State Fair to the Rail Trail received funding, as did our flagship University of New Mexico and Central New Mexico Community College.

This publication summarizes the Chamber's advocacy work at the Roundhouse this year and looks at what still needs to be done. We will continue to work with our many important partners on both sides of the aisle to advance and defend business interests, 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,



Bruce Stidworthy
GACC Chairman of the Board
President, Bohannon Huston, Inc.



Terri Cole,
President and CEO
Greater ABQ Chamber of Commerce



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

Economic Development and Other Priorities



WORKFORCE SHORTAGE

The Legislature passed several measures to help ensure our state's current and future workforce gets the education and training it needs. Lawmakers appropriated:

- \$950 million to a trust to ensure the state's Opportunity and Lottery scholarship programs are fully funded.
- \$100 million for career technical education.
- \$60 million for workforce training and apprenticeships at comprehensive community colleges.
- \$15 million for health professional loan repayment.
- \$11.5 million for faculty hiring at the University of New Mexico School of Public Health.



INCENTIVES AND MARKETING

The Legislature made the following key investments in economic development programs:

- \$750 million for roads and highways statewide, and \$10 million for mainstreet programs statewide.
- \$10.5 million to the Local Economic Development Act, or LEDA program, in the state budget to administer grants that support the expansion or relocation of businesses to New Mexico communities.
- \$6.7 million to the Job Training Incentive Program, or JTIP, in the budget – more than double last fiscal year's \$3 million appropriation. The program offers reimbursement for wages as employees in newly created jobs undergo on-the-job training for their new role.
- \$16 million to the Tourism Department for national tourism advertising to continue to attract visitors to the Land of Enchantment, and \$1 million for tourism cooperative marketing and advertising and the travel trade program.



THE HOUSING CRUNCH

Lawmakers built on the promising Opportunity Enterprise Act of 2022 to expand it from commercial development to include affordable and workforce housing. The \$175 million appropriated for the expansion laid out in House Bill 195 will again incentivize public-private partnerships – which helps our job creators and our workforce – and start to address the 40,000 unit shortage in the housing market, especially “middle housing” – housing for people who aren't eligible for affordable housing programs but that's built to be sold below the market rate.

ALBUQUERQUE-AREA CAPITAL OUTLAY

The state's capital bill and budget includes some big-ticket projects in Albuquerque:

- \$15.5 million for Balloon Fiesta Park improvements
- \$10.1 million for Rail Yards improvements
- \$8 million for State Fair improvements
- \$1.8 million for affordable housing
- \$1.5 million to acquire abandoned properties and open spaces
- \$260,000 for the Rail Trail

For UNM:

- \$15 million for the Comprehensive Cancer Center
- Nearly \$3 million for football facilities
- \$2 million for a new humanities and social science facility
- \$1 million for Popejoy Hall improvements
- \$950,000 for an indoor football practice field

For CNM:

- \$650,000 for an applied tech program facility at Rio Rancho Public Schools
- \$410,000 for a Makerspace

SIGNATURE SUCCESSES: PASSED LEGISLATION

Education: Legislators prioritized – and funded – schools of choice, school board training and accountability, and flexibility for students



CHARTER SCHOOL FACILITY LEASES AND LOANS

House Bill 207 makes it mandatory, rather than optional, for the Public School Capital Outlay Council to issue grants from the Public School Capital Outlay Fund to districts for facility lease payments, including charter school facilities. This creates more predictability for charter schools as they build their budgets – and for bond investors, so the New Mexico Finance Authority can issue bonds for the schools. It will also save charter schools millions in interest thanks to the lower rates they'll be able to access.

SMARTER SCHOOL BOARD TRAINING

Senate Bill 137 sets a new requirement of 10 training hours for new school board members and charter school governing board members, as well as requirements of what that training should cover: two hours each of ethics and school personnel, public school finance, open meetings and public records, governance and supervision, and student achievement and support services. The bill also prohibits the hiring or firing of superintendents within 60 days of bringing on new board members to ensure all members have the knowledge to make a sound decision and requires webcasting of all board meetings.

SCHOLARSHIP CHANGES THAT SERVE STUDENTS

Senate Bill 239 makes important updates to the Legislative Lottery and Opportunity Scholarships to ensure these programs serve students as well as they can. The bill makes important clarifications to some definitions, like counting credit requirements on a per-year basis instead of per-semester, and making summer semesters eligible for scholarship coverage. SB 239 also ties the new maximum distribution for the Opportunity Scholarship to inflation and allows high school students to earn college credit through dual enrollment without those credits counting toward the maximum covered by these programs.

IMPORTANT EDUCATION-RELATED APPROPRIATIONS

- \$30 million to establish a State Literacy Institute
- \$30 million for summer reading programs and training teachers in the science of reading
- \$100 million for career and technical education investments
- 30+ charter school capital outlay projects

More Instructional Days – Not Just Hours

Following the session, the Public Education Department enacted a rule requiring 180 instructional days in every public school's academic year, not just 1,140 instructional hours, as a law enacted in 2023 required – plus a process for districts and charters to qualify for exemptions from this requirement through specified combinations of proficiency and growth. Chamber leaders put it this way in an op-ed piece published in the Albuquerque Journal: *"The department's 180-school-day requirement has the right balance of accountability and flexibility, while putting student achievement and improvement where it belongs: at the forefront of the decision-making process. That's long overdue; while K-12 student reading proficiency is up 4% statewide, and that improvement should be applauded, having just 38% of our students reading at grade level is simply unacceptable."*



Bruce Stidworthy
GACC Chairman of the Board



Terri Cole,
GACC President and CEO



Del Archuleta,
GACC Education BIG Chair

SIGNATURE SUCCESSES: PASSED LEGISLATION

Crime and Public Safety: The Legislature passed a much-needed law targeting defendants accused of committing another felony while on pre-trial release but once again made little serious progress on public safety.



OFFENDERS NO LONGER GET A FREE PASS

Senate Bill 271 provides for a defendant to be held automatically without bail if they're arrested for a subsequent felony while they're on pretrial release for a previous felony – stopping the repeat offenders that are responsible for an out sized amount of the crime plaguing our state. It's not the rebuttable presumption the Chamber has called for these last few years, a "default setting" of awaiting trial in jail when the defendant is charged with a violent or serious felony, but it is a step in the right direction.

SECOND-DEGREE MURDER PENALTY FINALLY FITS THE CRIME

Senate Bill 96 increases the basic sentence for second-degree murder to 9-18 years, up from 0-15 years – the second-highest penalty, appropriate for the second-most serious crime on the books, right behind first-degree murder. The bill also increases the penalty for attempted murder from a maximum of three years behind bars to a new maximum of nine years.

BUILDING A STAFFING BRIDGE WITH EXPERIENCED OFFICERS

House Bill 236 allows for some retired public safety employees, including police officers, to return to work and continue collecting their pension – allowing "double-dipping" to incentivize their coming out of retirement. HB 193 will give law enforcement officers a retention bonus – up to 5% of their base salary – when they finish another year of service at 5-, 10-, 15-, and 20-year benchmarks. And, for those true veteran officers with more than 21 years of service, they can receive up to 5% of their base salary each year in retention bonuses.

FUNDING PUBLIC SAFETY

This session, there were a number of big-ticket public safety capital outlay projects:

- \$3 million for a new helicopter for the Albuquerque Police Department
- \$1.7 million for a new southwest public safety center in Albuquerque
- \$1.1 million for crime-fighting technology for the Bernalillo County Sheriff's Department
- \$855,000 total for APD's Real-Time Crime Center
- \$685,000 total for technology, such as cameras, license plate readers and gunshot detection systems for APD
- \$615,000 in improvements to Albuquerque's Gateway Center, including \$145K for a trauma recovery center

Despite the governor declaring public safety legislation a top priority, lawmakers slammed the door on at least a dozen bills targeting N.M.'s crime wave:

- SB 190 proposed an important overhaul of the entire DWI Act; SB 144 would have enabled local DWI grantmaking entities to hire more critically-needed and qualified staff.
- SB 102 would have given law enforcement a game-changing new tool to prosecute organized crime and gang activity by adding to the list of crimes that constitute racketeering.
- HB 46, 198 and 316 all proposed to crack down on felons in possession of firearms. Frustratingly, HB 316 died waiting to be heard on the Senate floor after having been fully vetted by both chambers's Judiciary committees.
- SB 178 proposed an exception to the sealing of certain juvenile records, where an offense of possession or use of a firearm will appear on a federal background check – as for employment or the purchase of a firearm.
- SB 122 would have created a rebuttable presumption, a "default" of awaiting trial in jail for defendants charged with a violent crime or another serious felony. Similarly, HJR 3 would have shifted the burden of proof to a defendant charged with a violent crime to demonstrate that there are conditions of release that would keep the community safe.
- SB 175 would have allowed the use of the Law Enforcement Retention Fund for both recruitment and retention of law enforcement officers. The bill was passed with overwhelming support in both chambers but was pocket vetoed by the governor.

SIGNATURE SUCCESSES: STOPPED LEGISLATION

Paid Family and Medical Leave Act

In 2022, the Legislature created a task force on the creation of a statewide paid family and medical leave act, stacked with leave proponents. This produced a set of recommendations that became the basis for Senate Bill 11 in the 2023 session, which reappeared in this session's nearly identical SB 3 and House Bill 6. Here's what they proposed:

The benefit mandate: up to **12 weeks of paid leave per year** for all employees, consecutive or intermittent, for things like the birth or adoption of a child, serious health condition of a family member or anyone deemed close "by affinity," or domestic violence incidents including stalking.

The funding mechanism: a new state fund sustained by a **new tax on employers and employees** alike – employees would pay 0.5% of their wages into the fund and employers would contribute 0.4% of their employees' pay, with waivers allowed for businesses with fewer than five employees and employers that already administer similar policies of their own. The Department of Workforce Solutions would have been authorized to raise rates by up to 0.10% of wages per employee each year to keep the fund solvent.

The trouble: last year, a non-partisan fiscal analysis by the Legislative Finance Committee projected an out-of-the-gate deficit in the paid leave fund of up to **\$330 million**, foretelling large, swift increases in the tax rates imposed on workers and employers. This year's analysis said only one of three scenarios led to fund insolvency, and after several years. But the analysis noted use of this leave is hard to predict, as is the number of employers who might receive a waiver, exempting them from contributions.

As we shared in our testimony and with our Chamber members:

- This bill would've been the latest in a string of new burdens imposed on small businesses, including a recently-enacted paid sick leave mandate and a 60% increase in the minimum wage.
- On top of a new tax on employers, the bill would have caused significant and costly business disruptions, especially for the 90% of our state's companies with less than 20 employees that lack the flexibility to absorb long-term vacancies, move employees to fill gaps, or quickly hire new employees.
- SB 3 and HB 6 also would have allowed employees to take leave for medical conditions involving a person the employee or a spouse simply has an "affinity" for, a definition that creates opportunity for abuse of the program.

Our state needs to be an easy and cost-effective place to start and grow a business. This costly and disruptive leave program would have damaged our economic competitiveness and discouraged business operations in New Mexico.

Despite the very serious concerns shared by the business community (and the proponents' unwillingness to engage in any meaningful dialogue on the bill), SB 3 made it all the way to the House floor, failing on a nail biter of a vote of 34-36, with 11 Democrats joining Republicans to block its passage. Its future remains uncertain, but its damaging fiscal and economic impact is clear.

(left) GACC President and CEO Terri Cole discusses the problems Senate Bill 3 poses for the business community on KOB-4 TV.



A costly paid leave mandate isn't good for workers or businesses

BY BRUCE STIDWORTHY AND TERRI COLE
GREATER ALBUQUERQUE CHAMBER OF COMMERCE



BREAKING NEWS Paid Family and Medical Leave Act Defeated on the House Floor

Following three hours of intense debate today, the House of Representatives defeated legislation (Senate Bill 3) that would have imposed a new tax on employers and employees to create and finance a broad and burdensome family and medical leave mandate in New Mexico. The legislation failed by a vote 34-36, with 11 Democrats joining Republicans to prevent it from going to the governor.

SIGNATURE SUCCESSES: STOPPED LEGISLATION

Energy, Education and Alcohol



THREATENING THE GOLDEN GOOSE OF OIL AND GAS

House Bill 133 proposed new authority for the Oil Conservation Division of the Energy, Minerals and Natural Resources Department to regulate or even block the transfer of wells, created new penalties and increased existing fees and fines. Independent oil and gas producers said this likely would have forced them to close up shop and move out of state – endangering the \$500,000 a day they contribute to the state's treasury.



ADOPTING MORE LAWSUITS WITH A “GREEN AMENDMENT”

Senate Joint Resolution 8 would have sent a constitutional amendment creating the right to “clean and healthy” air, water, soil and more to New Mexico voters. It's a nice sentiment, but it would have catalyzed an astronomical number of lawsuits that would force state agencies to spend their time, personnel and funding defending their enforcement, permitting and other regulatory actions – instead of doing the enforcing, permitting and regulating activities that affect our air, water and land.



SCRAPPING ACCOUNTABILITY AND THE STATE EDUCATION SECRETARY

SJR 9 proposed a constitutional amendment to replace the position of the Cabinet secretary of the Public Education Department with a 15-member state board of education, composed of a mix of elected and governor-appointed members. (If that sounds familiar, it's because New Mexico had such a board up until 2003, when voters did away with it due to its dysfunction.) SJR 9 passed the Senate on an overwhelming 36-1 vote, but thankfully fizzled out waiting for a hearing in the House Education Committee. Had the measure passed the Legislature and a ballot vote, we're confident education in New Mexico would have become more political and contentious, not less. That doesn't serve our students.



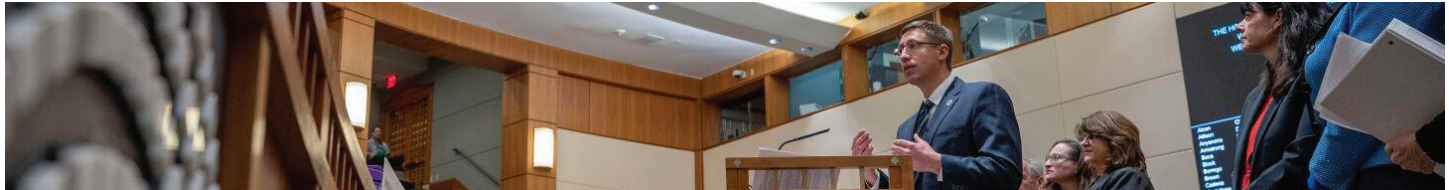
BURDENING BUSINESS IN THE GUISE OF FIGHTING DWI

Two bills proposed to change the way the state's liquor excise tax is calculated. House Bill 179 proposed an eye-watering increase to the tax by more than 650% for beer and more than 375% for wine, with the goal of reducing alcohol consumption by increasing the price (price elasticity effects) and raising funds to expand prevention and treatment programs. HB 213 proposed a shift from the current system based on volume to a percentage of the overall cost of the product. It eliminates the wholesale tax to shift the burden to retailers – stores, restaurants, breweries and bars – which is then passed to the consumer.



2023 TAX PACKAGE: THE GOOD, THE BAD AND THE FORGOTTEN

Lawmakers took note of last year's wrecking ball of tax-package line-item vetoes from Gov. Michelle Lujan Grisham and worked hard to hammer out compromises that would earn her signature instead. Many of the Chamber's priorities made it into the final version of House Bill 252, but unfortunately one poison pill in the form of gutted capital gains deductions made it in as well. Meanwhile, several smart and well-vetted proposals did not survive the transition from individual bill to omnibus tax package. And disappointing – but not surprising – the true, broad tax reform measures the Chamber has championed for years were never discussed.



THE GOOD

This year's tax package:

- Reforms personal income tax brackets, without any tax increases, and with a new bracket that gives more low- and middle-income New Mexicans a lower rate and helps “flatten” the schedule (originally in House Bill 252)
- Extends the Angel Investment Tax Credit, which incentivizes the support of entrepreneurial startup companies, from 2025 to 2030 (HB 83)
- Expands definitions of health care providers who can qualify for the Rural Health Care Tax Credit, which will enable an additional 5,000 health care practitioners to benefit from the incentive (HB 218)
- Eliminates the sunset date for the armed forces retirement pay exemption and includes spouses in the exemption (HB 264)
- Creates the Clean Car Credit, two new refundable personal and corporate income tax credits for purchasing electric or plug-in hybrid vehicles or buying and installing an electric vehicle charging unit (HB 140)
- Creates a new income tax credit of 20% of a manufacturing facility's equipment or \$25 million, whichever is lower, to support the significant startup costs of businesses in renewable energy and battery storage. This credit complements the federal Inflation Reduction Act, which incentivizes stateside production and sales of advanced energy technologies, like wind turbines and solar panels (HB 274)

THE BAD

This year's tax package also gutted the state's capital gains deduction cap, dropping it from 40% down to \$2,500 or 40% for sale of a New Mexico business valued at not more than \$1 million. As then-board member Brian Rothe pointed out in an op-ed, targeting capital gains doesn't just affect the wealthy. It also hurts average, middle-class New Mexicans who, say, sell stock they received from their employers as part of their compensation, and even those who receive an inheritance following the death of a family member.

Tax bill punishes ordinary residents

BY BRIAN ROTHE
VICE PRESIDENT, POWER SYSTEMS, WAGNER EQUIPMENT CO.

THE FORGOTTEN

One critical tax piece the Chamber has advocated for – and the governor has named as a priority herself – was tax pyramiding relief. Under current New Mexico law, goods are taxed at each stage of production and again at the point of sale. Services are also taxed. It all adds up, both for businesses and for consumers, and for years, the Chamber has supported the elimination of tax pyramiding on many professional services paid for by businesses. But in the end, nothing to address pyramiding made it into the bill.

Other tax items left out of this year's tax package include:

- An elimination of the cap on the exemption of Social Security income from personal income tax. This cap currently sits at \$75,000 for married individuals filing separately, \$150,000 for married couples filing jointly, and \$100,000 for single individuals in New Mexico statute. An alternative also proposed this session was Social Security income indexing, so the cap increases with inflation. (HB 248 and 249)
- A change in how the state's Motor Vehicle Tax is distributed. Currently, about 60% of this revenue goes into the state General Fund, with the rest divided between the Road Fund and the Transportation Project Fund. One proposal would have split these dollars 60/40 between the Road and Transportation Project Funds, making sure transportation-related funds get to where they're most needed.

THE STATE BUDGET

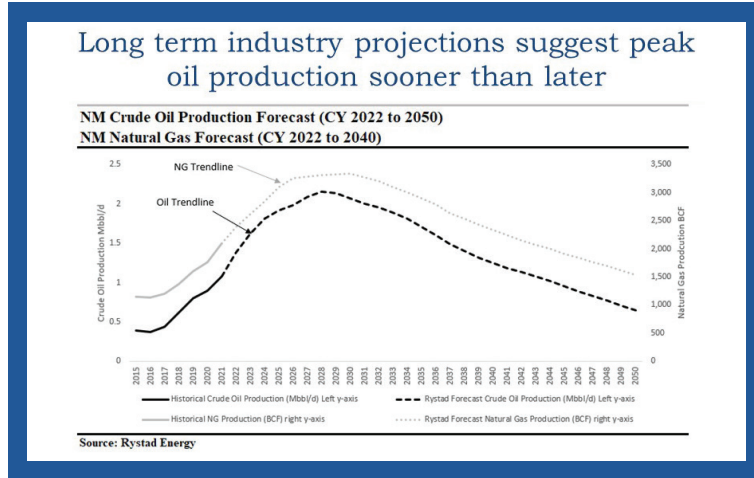
LAWMAKERS ONCE AGAIN PASSED A RECORD BUDGET, BUT THEY HAVE SLOWED THEIR ROLL

The Legislative Finance Committee (LFC) developed this year's \$10.2 billion budget with the idea that by the end of the decade, oil and gas production in New Mexico may flatten and begin a gradual decline.

By comparison, the state budget was \$6.17 billion just 10 years ago, in 2014.

With the knowledge there is no industry that can generate the same kind of massive revenue, budget writers adopted three key strategies: slow the rate of ongoing (recurring) spending, invest in productive one-time expenditures (like capital projects) and salt away significant amounts of excess revenues in trust funds or endowments to generate interest income for the general fund in the future.

This direction aligns perfectly with the Chamber's goals – we have urged slowing the rate of spending growth, using cash rather than debt for capital projects and increasing contributions to trust funds and endowments while maintaining at least a 30% reserve.



2024 BUDGET HIGHLIGHTS:

- Increased year-over-year recurring spending by 6.2%, lower than the double-digit increases of the last two previous years. Slightly over 30% of recurring spending is held in reserve.
- Set aside \$950 million in a Lottery and Opportunity Scholarship Trust to ensure the scholarships are available in the future.
- Placed \$300 million in the "Land of Enchantment Fund," fully funding this trust which supports natural resources projects.
- Moved over \$500 million to the Government Responsibility and Opportunity Trust (GRO) to be used in future years to pilot test new programs before they are included in base agency budgets. Over \$300 million will be spent over the next three to four years on "GRO" projects identified by legislators and 16 other projects, some designated by the Legislature and a few by the executive branch.
- Financed most of capital outlay from cash, preserving infusions from oil and gas revenues to further build the fund balance.
- Placed \$50 million in trust for housing.

It's worth noting the Early Childhood Education and Care Trust fund has grown from \$300 million in 2020 to \$5 billion and is sending \$250 million to the department for its programs, lowering the amount expended from the general fund. The Chamber was a key player in establishing both the department and the trust fund several years ago.

Unfortunately, the governor vetoed contributing another \$82 million to the Severance Tax Permanent Fund. The plan, as laid out in last year's successful Senate Bill 378, was to systematically build a \$1 billion fund by 2033 and generate an additional \$185.7 million for the General Fund in growth alone.

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," says 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 D'Val Westphal at dwestphal@greaterabq.com.

Greater Albuquerque Chamber of Commerce Legislative RoundUp

BREAKING NEWS

Paid Family and Medical Leave Act Defeated on the House Floor

Following three hours of intense debate today, the House of Representatives defeated legislation (Senate Bill 3) that would have imposed a new tax on employers and employees to create and finance a broad and burdensome family and medical leave mandate in New Mexico. The legislation failed by a vote 34-36, with 11 Democrats joining Republicans to prevent it from going to the governor.

For each of the past three years, the Chamber has remained steadfastly opposed to this legislation, citing its imposition of a likely escalating tax, its fiscal unsustainability, the ease with which the law could be abused, inadequate protections for employers, the unrealistically large amount of leave (12 weeks!) that would be provided every year for a wide range of purposes involving even non-relatives of employees, and the incredible disruption the legislation would create in workplaces across the state – especially for small businesses. The Chamber wants to recognize Reps. Marian Matthews and Cynthia Borrego – both who have a history of running and working with small businesses – for being the two Albuquerque-area Democrats to oppose the legislation.

Senate Sends \$10.2B Budget Back to House

The Senate passed House Bill 2 as amended (the budget bill) by a vote of 31-10, with a mixture of Democrats and Republicans on either side of the vote. The difference between the Senate version and the House version is only \$36 million, which is pretty miniscule considering the total budget slides into home base around \$10.2 billion. The budget retains 30% of recurring spending in reserves. The bill will now be returned to the House for concurrence in amendments, as both chambers must agree on exactly the same bill. The following are highlights from the Senate discussion on the budget. If you'd like more detailed information on what's in the budget, please click [here](#) to see the LPC's budget discussion.

Speaker "Can't Wait" to Get Pretrial Release Bill to Gov.

The revolving door is finally starting to slam shut. Earlier this evening, the House passed an important pretrial release bill on a 57-10 vote, sending the bill to the governor's desk for signature.

Rep. Meredith Dixon (D-Bernalillo) explained Senate Bill 271 provides for a defendant to be held automatically without bail if they're arrested for a subsequent felony while on pretrial release for a previous felony. Over the course of a brief debate on the floor, Dixon explained one of the conditions of release for a defendant as they await trial is that they don't violate the law while they're out. Under this bill, if that happens, the defendant will go back before the first judge for their first charge and before a second judge for that second crime for both judges to hear and consider whether the defendant should be released – but they'll be held pending those hearings.

REPEAT FELONY OFFENDER NO BOND HOLD				
SJC/SB 271 Supplemental Calendar 1 Item # 3 228205 4				
SEN. CERVANTES SEN. MEY-SOTO				
FINAL PASSAGE				
Y Alcon	Y Chávez	Y Hernandez	Y Madrid	Y Romero, GA
Y Allison	Y De La Cruz	Y Herndon	Y Martinez, A.	N Roybal Caballero
Y Anyanhou	Y Dixon	Y Herrera	Y Martinez, J.	N Rubio
Y Armstrong	Y Duncan	E Hochman-Vigil	Y Mason	Y Sanchez
Y Baca	Y Ezzell	Y Jaramillo	Y Matthews	E Santana
Y Block	N Ferary	Y Johnson	Y McQueen	Y Scott
Y Borrego	Y Figueroa	Y Jones	Y Mirabal Moya	Y Serrato
Y Brown	Y Gallegos	Y Lane	Y Montoya	Y Small
N Cadena	Y Garcia, H.	Y Lara	N Cline	Y Szczepanski
A Castellano	N Garcia, M.P.	Y Lente	N Parajon	Y Terrazas
Y Cates	Y Garratt	Y Little	Y Pettigrew	Y Thomson
Y Chandler	N Gabeira	Y Lord	Y Reeb	Y Townsend
Y Chasey	Y Harper	Y Lujan	Y Rehm	Y Vincent
Y Chatfield	Y Hembree	Y Lundstrom	N Romero, A.	Y Zamora
Yeas: 57	Nays: 10	Excused: 2	PNV: 0	Absent: 1



"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.**



David Abbey, former director of the Legislative Finance Committee, is honored in the Senate Chambers, Monday February 12, 2024. Abbey spend 26 years as director of the LFC before retiring last year.



Rep. Nathan Small, D-Las Cruces, and other Democrats on the House Appropriations and Finance Committee discuss the General Appropriations Act before it went to vote on the House floor on Wednesday, January 31, 2024



The University of New Mexico's new head football coach, Bronco Mendenhall, is introduced in the New Mexico House Chambers at the Roundhouse in Santa Fe on Wednesday, January 24, 2024. In December 2023, Mendenhall became the highest-paid state employee upon accepting a five-year, \$6 million contract to replace Danny Gonzales as head coach of the Lobos. Mendenhall, who was UNM's defensive coordinator from 1998-2002, accumulated a 135-81 record over 17 seasons as the head coach at BYU and Virginia before stepping away from coaching in 2021.



From left, Sens. Michael Padilla, D-Albuquerque, and Gregg Schmedes, R-Tijeras, battle Reps. Luis Terrazas, R-Silver City, Minority Leader Ryan Lane, R-Aztec, and Art De La Cruz, D-Albuquerque, for a rebound during the Legislative Basketball Game.



Terri Cole, president and CEO of the Albuquerque Chamber of Commerce, center, and others raise concerns Wednesday, January 24, 2024, about a bill for paid family and medical leave, in the House Health and Human Services Committee.



House Minority Leader Ryan Lane, R-Aztec, center, and other House Republicans hold a news conference after the end of New Mexico's legislative session Thursday, February 15, 2024, in Santa Fe.

CONCERNS FOR THE FUTURE



WILL WE EVER ADDRESS CRIME?

Meaningful crime legislation that targets the core group wreaking mayhem on our communities went nowhere this session. Three bills that targeted felons in possession of a firearm, a bill on rebuttable presumption and a joint memorial on bail never made it to chamber floors.

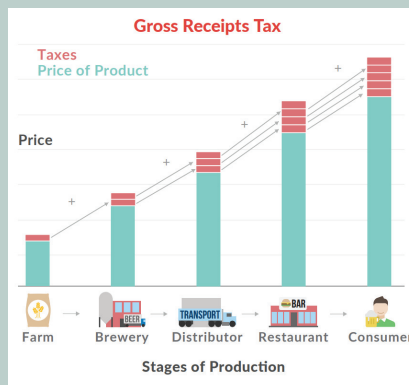
Lawmakers have simply ignored public outcry on the issue, often blaming local police and prosecutors for the state's crime problem instead. Data shows the policy of pre-trial release most certainly is a problem, with a released defendant being arrested in Bernalillo County for committing a new violent crime every other day on average.

A racketeering bill that focused on the crimes that criminal gangs excel in never made it out of its second committee assignment. And finally addressing drugged driving and our scattered DWI laws will, you guessed it, have to wait for another session.

WILL WE EVER TACKLE THE BIG TAX REFORMS?

After years of record-high state revenues and with several more on the way, the excuse that government coffers can't afford to have lawmakers fix tax pyramiding – the costly impact of goods and services being taxed at each stage of production – is moot.

There's also the Swiss cheese of state tax exemptions where government picks winners and losers but doesn't track if taxpayers are getting bang for the bucks they forgo, and gross-receipts taxes that should be lower and broader to help consumers stretch their dollars without hurting local government coffers. The clock is ticking to finally step up on meaningful tax reform while the state is flush with oil and gas revenues.



WILL WE EVER VET AND PRIORITIZE CAPITAL OUTLAY?

It's a talking point on the campaign trail that never makes it out of committee, and so here our state sits with billions in unspent capital outlay funding for thousands of projects, some of which are unwanted, unneeded, not ready for primetime or not fully funded. Proposals to actually ensure these projects are not only wanted but needed and are shovel-ready deserve to be heard, and well before that "b" in unspent billions turns into a "t" for trillion.

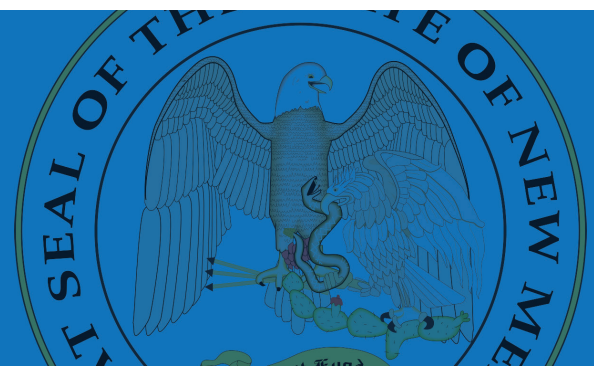


WILL WE EVER HAVE MORE THAN A FEW BUSINESS VOICES SERVING IN THE CHAMBERS?

Two dynamics continue in the Legislature: Having relatively few business voices leads to an incredibly large number of bills that would place burdens on businesses or hurt our competitiveness, from mandatory Paid Family Medical Leave to a Green Amendment to higher liquor taxes to gutting capital gains deductions. We've said it before and it still holds true: Too many state lawmakers do not believe additional regulatory burdens and higher taxes have a negative impact on the viability of small businesses, the investment decisions of large businesses, or the ability to recruit new businesses to our state. Let's hope that in this upcoming election more candidates get elected who have actual experience running or managing a business. Those members – Democrat and Republican – would have reference points to guide them toward a more positive outlook about economic growth and job creation – the ultimate solutions to ending poverty.

LOOKING AHEAD TO THE 2025 LEGISLATIVE SESSION

There's little comfort in the constancy of a new session facing old challenges, but we'll have 60 days to effect positive change.



Will lawmakers keep kicking the same cans down the road?

Everyone has agreed at some point – in the abstract and usually on the campaign trail – that New Mexico needs to address tax pyramiding and GRT; that crime is a serious issue and the small group of core, repeat offenders needs to be taken off the streets; that we can do a better job getting capital investment dollars out the door and into game-changing projects; and that we need to demand results for the billions of dollars we have dedicated to education. The problem has been moving those proposals from the abstract to the concrete, and yet all need to happen to make New Mexico a better place to live and do business.



Will the 2024 elections help or hurt business?

With the entire House and Senate up for grabs, and many moderate Democrats and Republicans retiring, facing tough races or hoping to switch chambers, it's concerning that the drumbeat of anti-business legislation and the rhetoric that pits communities' workers against employers could intensify even further beyond this year's push for unwieldy mandatory paid leave and attacks on oil and gas revenues, capital gains deductions and alcohol sales. We need lawmakers who understand that private-sector businesses are job and wealth creators, and growing government programs does not grow an economy.

2025 SESSION DETAILS

Jan. 2, 2025 – Jan. 17: Legislation may be prefiled

Jan. 21 noon: Opening day

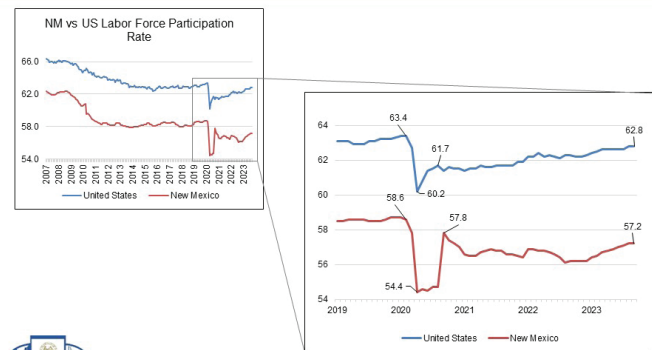
Feb. 20: Deadline for introduction

March 22 noon: Session ends

April 11: Legislation not acted upon by governor is pocket vetoed

June 20: Effective date of legislation that's not a general appropriation bill or a bill carrying an emergency clause or other specified date

New Mexico's labor force participation is improving but still lags the rest of the country.

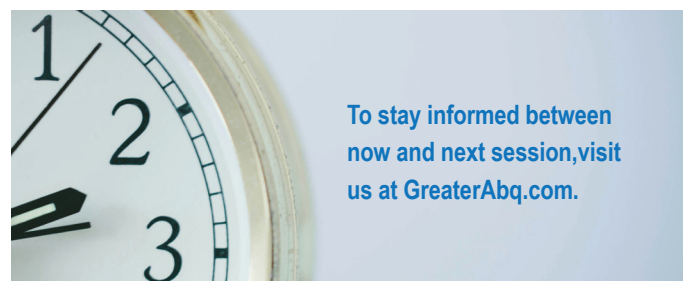


Will the “bad-for-business” bills be back?

Lawmakers have vowed to bring back Paid Family Medical Leave (we can only hope business gets a seat at the table this go-round and it's a reasonable compromise), and we're betting they will again try to open that Pandora's Box that is the Oil and Gas Act, hike taxes on things such as alcohol with the claim it's fighting DWI, place more regulatory burdens on business with so-called “green” legislation, and defend the status quo of our struggling education system with bills that bring back failed solutions rather than proven best practices.

Will we work as a state or continue to pit urban vs. rural?

It's disheartening that New Mexicans expect their Legislature to hammer out consensus bills that move the state forward, but instead much of the discussion comes down to the growing divide between urban and rural lawmakers on everything from social issues to guns to economic matters. Big issues such as a vibrant private-sector economy that provides great jobs, a high-quality public education system that delivers academic results, a fair tax policy that encourages residents and visitors to stay here, and smart investments in the built environment that stand the test of time should not be party issues or pit our cities against our towns and villages. They are what we all should be working toward, and are what the Chamber has, and will continue to, advocate for in Santa Fe.



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



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