

Dap Twenty -Seben

Good morning! Technical issues prevented us from sending the Legislative Roundup last night. Our computer wizards were able to fix it this morning. Catch up on yesterday's legislative news with that cup of coffee this morning! We'll be back on our usual schedule tonight!

#### Welcome to the Legislative Roundup, your update on the most important news from the Legislature



**The End Is Near! Three Days To Go!** 



# **Tax Package Heads Back to House Floor**

The Senate passed House Bill 252 today by a vote of 26-13, sending the measure back to the House for concurrence (for an explanation of concurrence, scroll down to "What's Next" in our budget coverage below). The bill came from the House with its proposals for tax initiatives. The Senate made amendments including its initiatives:

- Eliminates the sunset date for the armed forces retirement pay exemption and includes spouses in the exemption. Cost: \$12 million beginning in fiscal 2028 (cost = loss of revenue often referred to as a tax expenditure).
- Increases the tax credit for adoption of a special needs child from \$1,000 to \$1,500. Cost between \$3.6 million and \$5 million per year.
- Provides a tax credit for teachers purchasing classroom supplies from their own pockets. Cost: \$650,000 per year.
- Provides both a GRT and income tax deduction for geothermal energy development. Cost: \$6 million to \$7 million per year local governments benefit from increased property tax.
- Restores 30% tax credit for the cost of installing a ground coupled heat pump up to \$9,000. Cost: \$1 million per year.
- Exempts dyed diesel fuel used for agricultural purposes from GRT. Cost: \$5 million to general fund. \$3 million to local governments.
- Increases the cap on solar market tax credits to \$30 million and makes retroactive to the 2023 tax year. Cost: \$18 million.
- Conforms multinational corporate income tax to federal law. Increases revenue about \$1.5 million per year.
- Provides GRT deduction for legal services as a result of the Calf Canyon Fire. Cost: \$9 million approximately to the general fund and \$6 million to local governments.
- Provides various levels of tax credits for purchase of new and used electric and hybrid vehicles. Cost: \$45 million per year on average.
- Allows both PIT and CIT deductions for the purchase of advanced energy manufacturing equipment. Cost: \$20 million on average.
- Adds manufactured houses to Calf Canyon recovery tax credits. Cost: unknown.
- Provides severance tax exemption for stripper well improvement due to Oil Conservation Division compliance order. Cost: \$10 million loss of severance tax.
- Ensures receipts derived from copayments or deductibles by health care providers are GRT deductible. Cost: \$0.

Adding the Senate proposals to the House proposals, according to the Fiscal Impact Report (FIR), results in the net loss of about \$227 million in fiscal year 2026, the first full year in which

the effects are felt. That loss would have been over \$300 million but for the increased tax revenue gained by flattening the corporate income tax to 5.9%, which increases revenues by \$16 million, and the virtual elimination of the capital gains deduction, which increases revenue by \$61 million. We also note that the governor's two priority initiatives, clean car income tax credits and advanced energy manufacturing equipment tax credits, are included in this final tax package.

For quick reference, the following is in the House proposal:

- Reform personal income tax brackets without any tax increases,
- Include additional 5,000 health care practitioners in rural health care tax credit,
- Extend angel investment tax credit sunset from 2025 to 2030,
- Allow utility-scale energy storage facilities to be eligible for IRBs,
- Provide tax credits for victims of Calf Canyon Fire to rebuild homes,
- Add GRT deduction for privately operated child care centers,
- Add GRT deduction for Medicaid recipients home renovations,
- Change capital gains deduction from 40% to \$2,500 or 40% for sale of a New Mexico business valued at not more than \$1 million, and
- Eliminate lower corporate income tax bracket, making it a flat 5.9% rate for all corporate income.

Putting together a complex tax package takes hours of work, discussion and negotiation. The process this year was much improved providing greater transparency and collaboration between the two chambers. A tip of the hat to all involved.

In a complex bill like this, there are things a person likes and things a person doesn't care for. Senators especially expressed their support for the PIT tax reform, which will provide tax reductions for many New Mexicans and small business owners. Some, however, were not pleased with the loss of the capital gains deduction for all practical purposes. Also it was pointed out there is no GRT rate deduction and no further reforming of GRT pyramiding.

An amendment was attempted to index the exemption of Social Security income exempted from PIT using the consumer price index. The amendment failed by a vote of 15-20; it's loss of revenue is only around \$1 million, which against a \$10.2 billion budget is de minimis. Majority Leader Sen. Peter Wirth (D-Santa Fe) stated he felt this should happen and should be taken up in the next session of the Legislature.

Sen. Antoinette Sedillo Lopez (D-Berrnalillo) was critical of the bill for not including an increase in liquor excise taxes to fund prevention, treatment and recovery programs. She has sponsored legislation to increase these taxes substantially. She received some sympathy from Minority Whip Craig Brandt (R-Sandova); however, Brandt thought the better solution is to send all the current liquor taxes to programs rather than sending half to the general fund (the total is \$50 million).

Sen. Mark Moores (R-Bernalillo) pointed out areas he thought were examples of "corporate welfare" (tax credits for various renewable energy projects, for example) and rich people - like tax credits for purchasing electric vehicles. Moore remarked he didn't think there was much in the package for New Mexico families.

Quite naturally, we are no fans of the increase in corporate income tax and virtual elimination of the capital gains tax deduction. Both provisions send negative signals about the state's friendliness toward business. On the other hand, the PIT bracket reforms are long overdue and work to the benefit of small businesses, as many pay personal rather than corporate income taxes. Extending the angel investment tax credit sunset date is also positive, signaling to investors that this benefit has some stability. All in all, it's a bill worth sending to the governor. Sponsors of the bill say they have assurances from the governor she will sign the legislation this year.



## 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 <u>here</u> to see the LFC's budget discussion.

#### **Senate Budget Highlights:**

- \$1.316 billion is provided in one-time expenditures including \$200 million for roads. In total about \$750 million is provided for roads against \$11 billion needed by DOT to bring everything up to par. An additional \$1.3 billion is placed in a variety of endowments including \$950 million to ensure continuation of lottery scholarships and \$500 million to pilot and evaluate new program proposals (\$250 million over two years). Additionally, \$50 million each will be placed in trust for housing and tribal learning.
- \$50 million is allocated to shore up rural hospitals and \$5 million to food banks.
- \$40 million is appropriated to provide universal free breakfast and lunch to every student in the state.
- Public safety initiatives will receive \$25 million for officer recruitment and training and \$20 million to support firefighters statewide, including volunteer fire departments. Increases to the Department of Public Safety will result in State Police being the highest-paid law enforcement officers in New Mexico.
- HB 2 will result in UNM medical residents being paid in the top half of medical schools in the United States, helping to attract physicians to the state.
- On the education front, additional appropriations are made for structured literacy and career technical education. And \$30 million is provided for summer boot camps for students to improve reading.
- \$300 million is allocated to the conservation legacy fund to fully fund that endowment, which will help with reforestation, improving rivers and waterways and other natural resources.

#### **Not All Sunshine**

While many members praised the budget, there were elements of dissatisfaction expressed from

both Republicans and Democrats. Education Committee Chair Sen. William Soules (D-Doña Ana) believes that less money should be placed in endowments and trusts and more money should be spent now to feed and house children. In contrast, Finance Committee member William Burt (R-Chaves, Lincoln and Otero) thinks more money should be placed in trusts because of looming problems such as potential insolvency in the PERA and ERA pension funds.

Sen. Gerald Ortiz y Pino (D-Bernalillo) voiced a similar objection. He is concerned the Legislature is siphoning off TANF (Temporary Assistance to Needy Families) block grant money for other purposes, leaving recipients struggling to find enough money for housing, clothing and other essentials. Sen. Bill Tallman (D-Bernalillo) chimed in with his 10 reasons he's not voting for the budget, including no elimination of GRT pyramiding, no funding for a Downtown Albuquerque multipurpose arena and no prioritization of capital outlay projects.

Perhaps the most scathing of budget condemnations came from Sen. Crystal Diamond Brantley (R-Doña Ana, Hidalgo, Luna and Sierra). She swatted the budget for not doing enough to improve public safety, having no meaningful tax reduction and insufficient funding to restore behavioral health services. She pointed in contrast to the Senate passing the PMFLA bill, which she described as the worst anti-small business legislation. She concluded by saying given our state spending, our students aren't smarter and our communities are not healthier or safer. Spending needs to be better prioritized and "we need to put our money where our mouths are."

#### What's Next

As mentioned above, the bill will now be returned to the House for concurrence. What this means is that both chambers must agree on the identically same version of the bill. If the House agrees with the Senate amendments (concurs), then the bill is off to the governor. If the House refuses to concur, then a conference committee would be appointed to negotiate a compromise. Usually, conference committees consist of six members, three from each chamber, two from the majority party and one from the minority. Two members from each house must agree before a conference report can be sent back to each chamber. A conference report is really just the bill newly amended to reflect the compromise hammered out. Each chamber must accept the conference report in order for it to be sent to the governor. A conference report cannot be amended; it's a straight up or down vote. If the report is not accepted by both chambers, then it's back to the drawing boards, a new committee is appointed and a new compromise is sought.



### **Paid Family Medical Leave on to House Floor**

The House Health and Human Resources Committee sent SB 3, the Paid Family and Medical Leave Act, to the House floor by a vote of 6-4 this morning.

Rep. Tara Jaramillo joined the Republicans in opposition. She said she is concerned because state-contracted caregivers, such as nursing homes or hospice care, cannot raise their rates to compensate for new taxes imposed on employers under this bill, and she considers that to be an unfunded mandate. Republicans objected to the referral to the House Health and Human Resources Committee; they argue the bill should have been sent to the House Commerce and Economic Development Committee, which deals with business issues. (This committee killed the PMFLA legislation in last year's session.) They also voiced the same objection on the floor later in the day when the committee report was voted upon, and several members shared they had heard from hundreds of business owners in their district who are upset with the bill's current form.

As has been the case throughout this debate, proponents of the bill claim they have consulted with businesses and business organizations, many of whom support the bill. For example, today, Rep. Christine Chandler (D-Los Alamos, Sandoval and Santa Fe), one of the sponsors, claimed the Auto Dealers Association supports the bill. In fact, we checked with the association and it is opposed to the bill. Moreover, we can tell you with certainty most major business groups are opposed to SB 3.

Once again, the Greater Albuquerque Chamber of Commerce stated its opposition in testimony offered by President and CEO Terri Cole:

"Mr. Chair and members of the committee. Here are our business concerns: It imposes a new tax on employers and employees that could escalate and create continuing fiscal challenges. The bill needs more guardrails to make abuse more unlikely. And, it harms small businesses, by allowing so much leave, every year, for such a broad range of purposes and circumstances. Absorbing vacancies, finding temp employees, it's small employers who will suffer. New Mexico's economy becomes more corporate and less unique. A different approach – focusing on maternity leave to support mothers and keep them in the workforce – is better on all three fronts: lower cost, impossible to abuse, and easy for businesses to plan for. Thank you."

You may recall the Senate made several amendments to the bill that shape its current status. These amendments still do not deal with the central issues of increased taxes and inability of small businesses to cover for extended employee absences. Here's a recap of what those amendments did:

- 1. Keeps leave time at 12 weeks for "family leave", i.e. child-related events (birth, adoption, death of child, etc.) for the first two years of the program. "Safe leave" and serious medical events are limited to nine weeks. After two years, 12 weeks would be available for all events provided the benefits fund is actuarially sound. The bill does not say what happens if the fund isn't sound, but presumably the leave period would remain at nine weeks until soundness is achieved.
- 2. Changes the advisory board to assist the secretary of Workforce Solutions in designing the program from 16 to eight four employee representatives and four employer representatives all appointed by the secretary. This is a step in the right direction, but it doesn't guarantee small-business people will be on the board.
- 3. Requires temporary employee agencies to make employer contributions on behalf of temporary employees.
- Removes "family member with a serious medical condition" from the section that mostly deals with child-related events and makes that section focused only on child-related events.
- 5. Adds back a family member in another section so leave can be taken for family members with serious medical conditions.
- 6. Removes the "affinity" language to describe a relationship with a non-family member but keeps "any other individual whose close association with the employee or employee's spouse or domestic partner is the equivalent of a family relationship." In other words, it's just about anyone with whom an employee or their partner claims a close relationship.
- 7. Eliminates the provision to allow leave prior to entering active military service. Our belief is other laws address military service.
- 8. Raises the required benefits fund balance from 135% of previous years paid benefits to 140% of paid benefits in previous year. This is designed to help ensure fund solvency.
- Requires 20-day notice to the employer prior to leave or as soon as possible (for events that can't be planned like a serious accident). The bill doesn't say what happens if an employee doesn't give proper notice. Unlike previous versions of the bill, this bill allows

taking leave in hourly increments - previously employees had to take leave in 8-hour increments. This is purportedly designed to allow for treatment such as chemotherapy or dialysis. While that's understandable, a cynic can argue the loose definitions mean it also could be abused by getting a note from a "provider" for "treatment" every day for an hour or just on Fridays and Mondays.

10. Requires employees to work 180 days for the same employer to qualify for the leave - increased from 90 days.

We will continue to fight the good fight and attempt to defeat this measure on the House floor. Contact your representative and let them know you are opposed to SB 3; we need to protect our small businesses.



### **Severance Tax Fund Boost Headed to House**

On Sunday afternoon the Senate voted 34-0 to send Senate Bill 217, short title Severance Tax Bond Fund Distributions, to colleagues in the House.

We've shared that SB 217 is a fiscally pragmatic bill, continuing year No. 2 of a 10-year plan to shore up the Severance Tax Permanent Fund (STPF) to \$1 billion by making \$82 million annual appropriations to the fund. It's sponsored by Senate Finance Committee Vice Chair Sen. Nancy Rodriguez (D-Santa Fe).

Rodriguez explained Sunday her bill is similar to ones done in 2019 and 2023.

The STPF is where the state deposits excess severance tax revenue after repaying capital outlay bonds (severance tax bonds). It's managed by the State Investment Council. And in turn, 4.7 percent of the last five-year average value of the fund is sent annually to the general fund to support government spending – which helps eliminate the need for new taxes.

As we've touched on this session, it was not too long ago there were so many severance tax bonds issued that there was very little excess revenue to transfer to the STPF. But thanks to the recent oil and gas boom and smart investments that are yielding income, the Legislature is switching from financing capital projects with bond debt in favor of using cold, hard cash. This means the corpus of the STPF can grow - through investment income as well as the \$82 million annual appropriation. And that's the underlying goal of HB 217, which is part of the Legislature's overall strategy to prepare for an expected decline in oil and gas revenues. Just as we all aspire with our personal finances, to have a savings account with a financial cushion should a job loss or unexpected expense arise, this is all about strengthening the state's "savings accounts" so

that income from fund investments can compensate for any drops in revenues or be used in economic hard times.

The current STPF balance is approximately \$10 billion, and the average deposit into the general fund from it is around \$290 million. If the 10-year plan is fully implemented, the 2033 fund balance is estimated to be \$31 billion, contributing nearly \$1 billion to the general fund.

SB 217 continues a smart and strong strategy that has literally paid billions in dividends in state funds as old as the Land Grant Permanent Fund and as young as the Early Childhood Education and Care Fund. The bill is now headed to the House, where its fiscal foresight and prudent planning should get it to the governor's desk by session end.



#### **School Board Training Goes to Governor's Desk**

Long-overdue legislation to ensure our school board members have the training they need to do a great job, and our families have the transparency they need to be informed, is headed to the governor's desk.

The House passed Senate Bill 137, short title School Board Training, 42-17 in the wee hours of Tuesday morning after two failed amendments from Rep. Rod Montoya (R-San Juan) targeting mandates from the N.M. Public Education Department. The bill is sponsored by career educators Senate President Pro Tem Mimi Stewart (D-Bernalillo) and Sen. William P. Soules (D-Doña Ana).

The Chamber has testified in support of the bill in several committees, as we believe too often well-intentioned individuals run for school board positions, win, and then are underprepared to handle, and overwhelmed to deal with, the responsibilities put on their plate. That's frustrating for board members, and it shortchanges our students, parents and taxpayers.

SB 137 sets a new requirement of 10 training hours for new school board members and charter school governing board members, as well as 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.

It also will ensure school board members will receive annual training on:

- 1. The board's finance, budgeting and fiduciary responsibilities (their No. 1 job)
- 2. Laws and policies affecting public schools
- 3. How to evaluate student academic achievement and use the data to set goals
- 4. How to best govern and support their superintendent.

An earlier amendment also prohibits the board from terminating a district superintendent without cause or extending their contract within 60 days of a new board member swearing in. This will help ensure new board members have had time to learn the job and all that involves before making a leadership decision that affects hundreds, sometimes thousands, of N.M. students.

SB 137 bill also requires all school board candidates to disclose campaign contributions over \$1,000. Forty-four states require all school board candidates to disclose their donors; it is time

the majority of N.M.'s school boards join the state's five largest districts and let the public know who is financing their campaigns. It mandates a public dashboard showing which board members have and haven't completed the necessary training. And SB 137 also requires that all public school board meetings – both charter and traditional public schools – are webcast and then archived for at least two years so families and the public can stay informed and hold their board members accountable for their actions as needed.

This bill, again crafted by two classroom veterans, is all about giving those folks who are willing to step up and serve on our school boards the support and training they need to do a great job, and providing parents and community members the transparency required for them to be involved in the system. It's headed to the governor and deserves her signature.



## Water Trust Fund Makes It to House Floor

Monday afternoon the House Appropriations and Finance Committee gave a Do Pass to House Bill 301 as amended, short titled Future Water Trust Fund. The bill marries something we know works exceptionally well - a permanent trust fund, carefully invested and managed - with something we desperately need - water.

Creating a water trust fund is long-overdue, and sponsor Rep, William "Bill" R. Rehm (R-Bernalillo) explained that hard-learned lessons have shown getting water into New Mexico is a complex and expensive proposition, but one well-worth the effort as the San Juan/Chama and Animas/La Plata projects have proven.

Rehm says the goal is to establish a fund that can grow over time so New Mexico "can be a player in some future water project." He said he fully expects it to be amended as needed to fit future projects. And he has serious buy-in from his House colleagues of either political stripe. His 15 co-sponsors, in alphabetical order, are Reps.:

Anthony Allison (D-San Juan) John Block (R-Otero) Cathrynn N. Brown (R -Eddy and Lea) Jack Chatfield (R-Colfax, Curry, Harding, Quay, San Miguel & Union) Mark Duncan (R-San Juan) Jason C. Harper (R-Sandoval) Dayan Hochman-Vigil (D-Bernalillo) Jenifer Jones (R-Doña Ana, Hidalgo and Luna) Raymundo Lara (D-Doña Ana) Patricia A. Lundstrom (D-Mckinley) Randall T. Pettigrew (R-Lea) Andrea Reeb (R-Chaves, Curry and Roosevelt) Larry R. Scott (R-Lea) Majority Whip Reena Szczepanski - (D-Santa Fe) And Harlan Vincent (R-Lincoln and Otero)

In recent years New Mexico lawmakers have made prudent financial moves in creating a "Rainy Day" fund and an Early Childhood Care and Education fund to both guard against revenue and economic downturns and ensure dedicated revenue for priorities. Water belongs on that list. With days left, here's to getting this off the House floor, through the Senate to the governor.



# **High-Wage Job Tax Credit Punted to 2024**

Early Monday the House Taxation and Revenue Committee discussed House Bill 275, short title High-Wage Jobs Credit Determinations. The bill and its substitute align language in the statute with existing tax laws, clarify the 44 weeks of required employment are on a rolling calendar and extend the credit through July 1, 2030.

As with its hearing in House Commerce and Economic Development, the update and extension drew no opposition in person or online. Sponsor Rep. Joshua N. Hernandez (R-Sandoval) has explained the changes are to better sync the state law with current laws, including the New Mexico Income Tax Act and the federal TaxAct.

Chamber Executive Vice President for Policy and Programs D'Val Westphal testified that:

"We all agree we want not only more jobs, but more high-paying jobs, in New Mexico. Extending the high-wage jobs tax credit is a win-win for business owners and employees – these are truly high-wage jobs: they must pay at least \$60,000 in our urban areas, \$40,000 in our rural areas. "For context, our per capita income is just over \$32,000.

*"HB 275 is about bringing more great jobs to our state, and keeping more great workers here. We urge you to give it a Do Pass."* 

Chairman Derrick J. Lente (D-Rio Arriba, Sandoval and San Juan) pointed out, "at this point in time the tax package has already left this train station. This is for informational purposes only."

Lente encouraged Hernandez to bring his bill back next session, and Hernandez said he had wanted to get the conversation started, had hoped for some action this year (especially the rolling calendar language update - under the current language you have to be hired in January to be able to work the required 44 weeks in the traditional calendar year for the employer to get the credit) and he will bring it back because with the credit expiring in 2026, "next year we'll be butting up against the sunset."

We'll be there to support Rep. Hernandez next year!



## **Necessary DWI Update Hits a Speed Bump**

Sen. Daniel Ivey-Soto (D-Bernalillo) is taking on the entire DWI Act in Senate Bill 190, which went before the House Judiciary Committee this afternoon. But the bill hit a major speed bump today when it was rolled in the House Judiciary Committee, its last committee assignment. Whether the committee will bring it back for a vote is uncertain.

The ambitious 91-page bill makes changes to numerous sections of state law regarding DWI in order to streamline and update them. But while it makes clear that driving under the influence of alcohol or drugs is not acceptable in New Mexico, it also creates new opportunities for supports and interventions. For example, it creates a new offense for DWI with a child in the car, punishable by a fine – and a parenting class if the child is the driver's.

The Chamber highlighted this balance in committee this afternoon, with GACC representative, Sara Fitzgerald saying, "this legislation will make important updates to our DWI laws. And while it addresses the core issues of penalties, repeat violations, blood screening – all of those important provisions – it also wisely provides for treatment if approved by the court, and counseling and treatment to those in custody. NMDOT says last year 37% of deadly crashes were alcohol-related. There's no telling how many were drug-related. But we do know it's a problem, and this bill can help address it."

The only opposition came from the Administrative Office of the Courts over concerns around changing jurisdiction, but the Chamber was joined by many others in support, including the New Mexico Department of Transportation, which praised Ivey-Soto for his close collaboration; the New Mexico State Police; District Attorneys Association; and even the Public Defender (who stood in "neutrality").

Rep. Andrea Reeb (R-Chaves, Curry and Roosevelt and a former prosecutor) summed it up nicely: "This has a lot of checks and balances in it that law enforcement, prosecutors, all the people at stake believe will actually increase prosecutions of these types of DWIs or DUIs, and I think anything we can do as a Legislature to help curb DWI is something we should try to do."

But in the end, the bill was rolled at the recommendation of HJC Chair Christine Chandler (D-Los Alamos, Sandoval and Santa Fe), with no definite timeline for bringing it back. "We're getting very, very close to the end of the session, and truthfully it makes me very uncomfortable when

we get bills like this that are three days before the end of the session," she said. "I think this is something that needs much greater thought and consideration," she added.

Time is very short for this bill to make it this session. But you never say never up here. ...



### **Scholarship Flexibility Clears Committees**

Senate Bill 239, sponsored by Sen. Siah Correa Hemphill (D-Catron, Grant and Socorro) and George Muñoz (D-Cibola, McKinley and San Juan), and presented to the House Education Committee today by Hemphill and Rep. Joy Garratt (D-Bernalillo), makes important changes to the lottery scholarship requirements, including 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. The committee gave the legislation a Do Pass recommendation.

The committee also adopted an amendment, which sponsors said would add important guardrails like credit hours for fall and spring semesters, rulemaking authority for the Higher Education Department, a sunset provision to prompt legislators to review these changes to ensure they're working, and others.

The Chamber again spoke in support of the bill, along with the secretary of the Higher Education Department. Chamber lobbyist J.D. Bullington told the committee, "the bill before you makes good changes that will ensure students can take full advantage of these programs the way we want them to. It clarifies really important requirements and grants our college students meaningful flexibility."

This was the bill's last committee assignment – but an amendment in the second chamber will send it back to the Senate for concurrence if the House approves the measure. There are growing lists of bills to be debated and passed on each floor, and we hope this bill gets pushed to the front of the line! It's a great bill that will serve our students and give us more graduates.



#### **Office Recruitment Fund Almost to Finish Line**

A bill to dedicate more funding to the recruitment of all kinds of law enforcement officers across New Mexico is in the home stretch. Senate Bill 175 passed its last committee, House Judiciary, on a unanimous 9-0 Do Pass vote this afternoon.

SB 175 is sponsored by Sen. Joseph Jaramillo (D-Los Alamos, Rio Arriba, Sandoval and Santa Fe) and was today presented by Sen. Katy Duhigg (D-Bernalillo), who explained it would create a fund for the recruitment of state and local law enforcement officers, correctional officers, and probation and parole officers across New Mexico. The bill language also calls on the Department of Finance and Administration to establish criteria for distributing these funds to law enforcement agencies and other entities across the state. The budget contains funding for this, though the exact amount is a moving target. On Friday when the bill passed the Senate, Jaramillo told the body the budget had around \$25 million for these recruitment and retention efforts.

Chamber representative Sara Fitzgerald offered this testimony in support of the bill: "Swift and certain consequences to crime are key to deterring the criminal element in New Mexico. That goal can't be accomplished without experienced and well-trained people on the job. This bill will help us recruit and retain law enforcement officers, and we urge you to support it."

With hardly any discussion, the committee quickly moved the legislation to the House floor.

#### **Around the Roundhouse**



Former LFC Director David Abbey (standing, second from left)

#### **Budget Guru Gets His Due, Again**

Inasmuch that it is budget day in the Senate, retired LFC Director David Abbey was honored, as he was on budget day in the House (the day the budget received a floor vote). Abbey served for 26 years as LFC director and, to put it mildly, is beloved by all. Helpful and kind are commonly used descriptors.

"We worked with David for many, many years," said Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce. "He's a treasure of New Mexico, and like everyone else, while we miss him deeply, we also honor his long service and wish him and his family health and happiness in retirement."

### **Signing Off from Santa Fe**



There was a lot of heavy lifting done today - budget, taxes and more. From here on out, we expect very sparse, if any, committee meetings and long floor sessions. We're headed for sine die adjournment Thursday, Feb. 15, at noon. Though it's a short time, there's still a lot of work to be done, not the least of which is to place the budget bill on the governor's desk.

And we want to emphasize the need for you to contact your House representative to express your opposition to SB 3, the Paid Family and Medical Leave Act. There's a chance this most anti-business legislation of the session can be stopped on the House floor. Your voice matters.

Thanks for joining us today, and we wish you a very pleasant evening.

The Legislative Roundup, published during the New Mexico Legislative Session by the Greater Albuquerque Chamber of Commerce, provides information on local and state public policy and business issues that affect you.

For questions, please email D'Val Westphal at <u>dwestphal@greaterabq.com</u>.



Working 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.

Greater Albuquerque Chamber of Commerce | 400 Tijeras Ave. NW, Suite 100, Albuquerque, NM 87102

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