



NEW MEXICO LEGISLATIVE SUMMARY

GREATER
ALBUQUERQUE
CHAMBER OF COMMERCE



2025

THE BUDGET SWELLS, AGAIN

No Tax Relief, a Swiss-Cheese Crime Package - but Biggest Anti-Business Bills Stopped

With the defeat of several moderate House Democrats in primaries and few legislators with private-sector business experience, we expected the flow of business mandates, tax increases, social welfare expansions to intensify.

Unfortunately, our expectations were met. However, with a “never-give-up” mentality and a steady stream of communications backed with facts and common sense, we were able to thwart what could have been very damaging legislation to the business community.

State general fund recurring revenue swelled again, increasing by 2.6% compared to the previous fiscal year, to \$13.6 billion and up from \$6 billion when Gov. Michelle Lujan Grisham took office in 2017. The growth comes from the extraordinary increase in oil and gas prices and production levels (see state budget discussion on page 10). The final general fund expenditures weighed in at \$10.8 billion.

As expected, another attempt was made to enact a paid family and medical leave program. This year’s try was stopped at the 11th hour in the Senate Finance Committee, which was concerned about its high cost, funding sources, and broad scope. In the same category of things that could have caused a lot of damage, we were able to defeat a proposed constitutional amendment that would have ingrained environmental rights into the state’s Constitution, no doubt unleashing a flood of litigation and blockage of economic development opportunities. Similarly, a “zero-emissions” bill that would radically change the state’s economic structure failed.

While the governor’s constant pressure on the Legislature to meaningfully address public safety issues did produce some important forward movement, New Mexico’s overall criminal justice approach is like a block of Swiss cheese. Juvenile crime, the fastest-growing segment of criminal activity, is the most obvious hole that needs prompt attention.

Despite nearly \$3 billion of revenue uncommitted to current programs, the budget bill failed to set aside any revenues for tax reform or reduction, choosing instead to spend all the money on other things. In a last-minute move, the House proposed to increase oil and alcohol taxes by nearly a half billion dollars to eliminate personal income tax for those making less than \$70K – in other words transferring income from one class of taxpayers to another. The Senate eliminated the oil and gas tax increase, and the governor finished the job by vetoing the bill.

After years of lobbying, some significant economic development measures crossed the goal line including two bills to promote site readiness to attract business development. Also, a trade ports bill will provide funding to boost port development in many areas of the state, including Bernalillo County.

However, two areas critical to economic progress were essentially unaddressed: health care reform and education. So little was done to improve student success, in fact, that we’re saying that education was the forgotten issue of the session. Due to the outsized influence of trial lawyers, efforts to reform medical malpractice statutes and approve interstate compacts to bring more practitioners into the state were strangled.

It’s doubtful whether a special session to further address public safety will occur. It seems more likely that a special session may be called in October, 2025 to address potential issues resulting from federal level action that may affect New Mexico. One thing is certain: on many fronts, there’s much work left to be done.



Composition of the Legislature	
NM House of Representatives	70 members (44 Democrats, 26 Republicans)
NM Senate	42 members (26 Democrats, 16 Republicans)

Legislation Introduced and Passed – 60 Days	
Bills, resolutions, and memorials introduced **compared to 2021 (916) and 2023 (1089)	1190
Bills sent to the Governor	195
Bills vetoed by the Governor	35 (18 vetoes +17 pocket vetoes)

Governor Vetoes, Challenges Legislation	
The governor expressed her displeasure that the Legislature did not tackle pressing issues but found time to pass bills like designating the tortilla as the official state bread. Some notable vetoes include:	
HB 14 – would have excluded PIT for a family of four earning \$70,000 or less and increased the alcohol excise tax.	
HB 65 – would have allowed local school governing boards to establish the number of instructional days per week and in a school year.	
HB 191 – would have created the Wildfire Suppression and Preparedness funds with only a \$12 million appropriation.	
HB 449 – would have established the Higher Education Major Projects Fund to provide additional money for capital improvements.	
HB 494 – would have expanded veterans property tax exemptions but shortened the one-year application window to one month.	
SB 142 – would have expanded work by the NM Energy, Minerals and Natural Resources Department on a grid modernization road map.	

THE GREATER ABQ CHAMBER OF COMMERCE:

An Effective Advocate for Economic Growth in New Mexico



GACC LEGISLATIVE TEAM

Del Esparza
Chairman of the Board

Terri Cole
President/CEO

Sherman McCorkle
**GACC Legislative
Advocacy Chair**

JD Bullington
Lobbyist

Scott Darnell
**Strategy, Policy and
Communications**

Enrique Knell
**Legislative Communication
and Lobbying Support**

D'Val Westphal
**Legislative Coordinator,
Policy and Bill Tracking**

Adrian Gomez
**Legislative Support
and Communications**

Marc Christensen
**Legislative Roundup,
Strategy, Policy**

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 establishes specific legislative priorities ahead of each session to further its broad economic policy goals, including tax reform, education, public safety and Downtown revitalization. Its legislative team, which includes business leaders, lobbyists, policy experts and skilled communicators, works to realize them.


This session we were able, against all odds and for the fifth year in a row, to stop a small-business crushing paid family and medical leave program. We helped stop onerous environmental legislation that would have showered the state with new litigation and drastically altered the fabric of the state's economy. We also were major supporters of important public safety legislation that reached the governor's desk, though much remains to be done on this front. No new taxes were enacted, and we, once again, blocked a back-to-the-future move to reinstate a failed education governance system of a state school board and state superintendent.

Several positive steps were taken to grow the state's economy including legislation providing the resources to develop sites ready for business development and support development of trade ports around the state. We also lent support to initiatives to utilize brackish water to ensure adequate water supplies are available for growth as well as support for research and development of promising advanced technologies in the fields of quantum physics and bioscience.


This publication summarizes the Chamber's advocacy work at the Roundhouse this year, as well as what remains to be done. The Chamber continues 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,




Del Esparza,
GACC Chairman of the Board
CEO, Esparza Digital + Advertising




Terri Cole,
President and CEO
Greater ABQ Chamber of Commerce




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



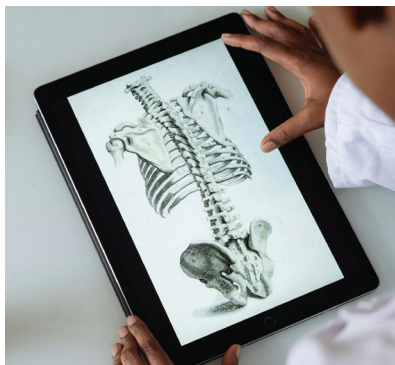
We defeated proposals to raise taxes at every turn, as well as impose new paid leave mandates.

How? Working with our many partners, we simply never gave up. We highlighted their negative impact on small businesses and families, and again, we never gave up. That's what we're known for - our clarity and tenacity.



SIGNATURE SUCCESSES: PASSED LEGISLATION

Economic Development



INCENTIVES AND MARKETING

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

- A Senate bill created the Strategic Economic Development Site Readiness Act with a \$24 million fund for identifying, assessing and preparing sites for business development. A companion measure allows the Public Regulation Commission to approve up-front costs for bringing utilities to the selected sites so they are truly ready for business.
- JTIP was funded at \$6.7 million and LEDA at \$70 million. Significant support was provided for bioscience and quantum physics along with other advanced technologies.

HEALTH CARE WORKFORCE

- The new UNM medical school proposal made some headway, receiving \$30 million for planning and design, and the School of Pharmacy received \$25 million for upgrades and renovation. Clearly, with the shortage of health care professionals, more capacity is desperately needed.
- A Medicaid trust fund was established (with an initial \$100 million appropriation) to, in part, ensure the State is able to keep up with the rising cost of Medicaid reimbursements to physicians over time. Nearly 40% of New Mexicans are enrolled in Medicaid, a fact that can make it hard to recruit and retain doctors in our state.

COLLEGE ATHLETICS

- College sports are an important front door to our city and state, and it's critical that UNM remains competitive with other schools in the Mountain West Conference. In recognition, the Legislature passed \$3 million in increased, recurring funding for UNM Athletics, as well as \$11 million to plan and design major upgrades to the university's football stadium.

INFRASTRUCTURE, TRADE AND COMMUNITY DEVELOPMENT

- The TIDD for development of a new State Fair location was approved, potentially opening up \$1 billion in construction of a new fair site and redevelopment of the existing fairgrounds.
- The governor's strategic water plan received \$40 million in funding to develop brackish-to-fresh-water projects and additional research at NMSU and NM Tech.
- \$50 million was appropriated to develop inland trade ports that attract investment in intermodal facilities, warehousing, lodging and other areas.
- Some key capital outlay and special appropriations include \$80 million for housing assistance; \$18 million for tourism marketing; \$40 million to match federal quantum development grants; \$10 million for the CNM film school and \$50 million for recreation centers and statewide beautification.

SIGNATURE SUCCESSES: PASSED LEGISLATION

Education



MANDATING THE SCIENCE OF READING INSTRUCTION

A Senate bill will require N.M.'s teacher education programs to train teachers to utilize evidence-based, modern "science of reading" techniques referred to as "structured literacy."

- Abysmal student proficiency rates prove the current method of teaching reading simply hasn't worked.
- The proven "science of reading" approach was a key feature of the "Mississippi Miracle" - a set of policy/practice changes that produced dramatic improvements in reading proficiency (and has led to big gains in other states).

HIGHER STANDARDS AND BEST PRACTICES FOR PRINCIPAL PREPARATION

A House bill will require adopting nationally recognized best practices for principal (and superintendent) training, development and mentorship.

- Through a grant from the Thornburg and Los Alamos Laboratory foundations, the Chamber engaged Education Research and Development, a nationally recognized group of experts, to prepare a report on school leadership.
- Unfortunately, Senate amendments delay the training and residency program requirements until 2033 so students, teachers and principals won't benefit for almost a decade.

RESTRICTING CELL PHONES IN CLASSROOMS

A Senate bill requires districts to create and adopt cell phone policies with a goal of increasing proficiency rates in classrooms, but equally important, addressing the mental health crisis plaguing our youth. 90% of teachers have identified cell phone use as the No.1 distractor in classrooms. Phones in the classroom undermine the learning environment, contributing to decreased academic performance.



SPOTLIGHT: Continuing the Momentum on High-Quality Charter Schools

This session, in a sea change, no bills were introduced to cap the number of charter schools in New Mexico or the number of students who can attend them. It's a heartening development, as charters provide important learning options for families and often produced dramatically higher reading and math outcomes for their students. Growing charter schools is supported by more than 7 in 10 New Mexicans, according to recent polling. The Chamber continues to work with its partners to launch new high-quality charter schools and expand the number of seats available at existing high-performing charters.



SIGNATURE SUCCESSES: PASSED LEGISLATION

Public Safety and Behavioral Health



The Legislature made some progress here, but much work remains to be done. The biggest crime problems were mostly ignored.

CRIME PACKAGE

- By midsession, a package of six bills was passed and sent to the governor, meeting lawmakers' self-imposed 30-day deadline for action on public safety bills.
- The package includes reforms to competency statutes; increased penalties for making a shooting threat, auto theft and drug trafficking; a ban on so-called "Glock switches"; and DUI blood testing for drugs as well as alcohol.

OTHER CRIME-FIGHTING LEGISLATION

- The crime of "swatting," i.e. making a false report of a major crime to harass someone and tie up first-responder resources, is now a felony.
- The state's racketeering (RICO) statute was broadened to include several gang-related heinous offenses including human and drug trafficking and acts of sexual exploitation.

BEHAVIORAL HEALTH INITIATIVES

- A bipartisan package of three Senate measures begins the process of revitalizing the behavioral health system to enable diversion of non-violent criminals to treatment.
- One measure established a behavioral health trust fund (\$280 million initially with a \$1 billion goal), another appropriated \$200 million for specific projects and the third established the regional planning process with guardrails and metrics for success.

CHILD WELFARE CHANGES

- A Senate bill overhauled the Comprehensive Addiction and Recovery Act (CARA) to require development of safe care plans for babies born with exposure to alcohol or drugs.
- A House bill created an independent child advocate to oversee CYFD.

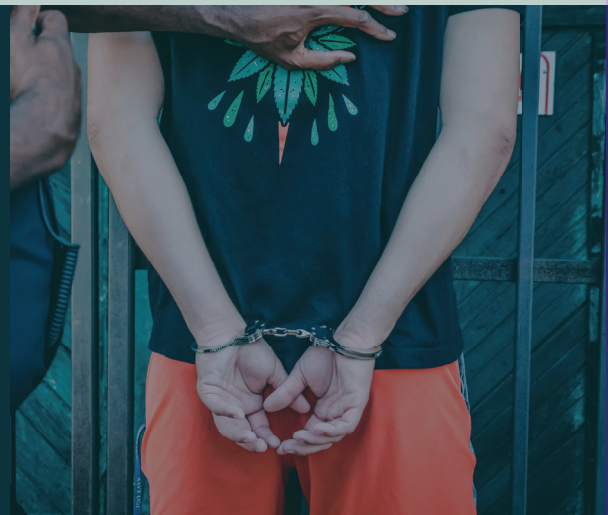
SPOTLIGHT: Biggest Crime Problems Mostly Ignored

Deadly Hit-And-Run in New Mexico Brings Juvenile Justice Challenges Into Focus

Prosecutors in New Mexico's busiest judicial district have been pleading with state lawmakers to amend the children's code to address what they call an unbelievable spike in juvenile crime in Albuquerque

By Associated Press | March 24, 2025, at 12:04 a.m.

This incident and a horrific shooting in Las Cruces perpetrated by juveniles put a spotlight on lawmakers' refusal to even consider addressing violent youthful offenders. As discussed in the missed opportunities section, other critical issues also languished in committees.



SIGNATURE SUCCESSES: STOPPED LEGISLATION

Paid Family and Medical Leave Act

For the fifth session in a row, businesses were confronted with a sweeping and extremely costly proposal to require employers and employees to fund a mandatory program providing paid leave for family and medical incidents. Through unified advocacy, NM's business community ultimately defeated this latest proposal at the 11th hour in the Senate Finance Committee. It was quite a journey.

As introduced, the bill would have required over a half-billion-dollar payroll tax increase, the largest increase in the history of the state, coming at a time when the state is flush with cash.

- In general, up to three months of paid leave would have been granted - each year - for a variety of reasons - some sensible and well defined, others vague and ripe for abuse.
- A new bureaucracy of over 200 staff at a cost of around \$40 million per year would have been created in the Workforce Solutions Department.
- New Mexico, as a poor state, would be expected to have higher levels of program utilization than wealthier states, likely resulting in future tax increases to keep the benefit fund solvent.
- Businesses would have to find replacement employees for three months which would be disruptive and difficult. This mandate would make business less competitive.

Ultimately, the PFMLA wagon was loaded with too many heavy bricks. To lighten the load, proponents developed a substitute proposal. The measure was renamed the Family Wellness and Welcome Child Act.

- This approach reduced paid medical leave from three months to six weeks. Payroll taxes would have paid for the leave but at about half the level of the original bill.
- The measure also would have provided 12 weeks unpaid leave for childbirth, adoption or fostering plus \$9,000 to the parent or parents. The cost of this proposal was about \$200 million per year and had no identified source of funding.
- While passed by the House and one Senate committee, strong bipartisan opposition to the shaky fiscal platform and concern about future unknown costs resulted in a vote of 8-3 to table the bill at Senate Finance. The committee chair suggested that in the future a significantly scaled down version should be presented. The Chamber has advocated exactly that position for years, suggesting family leave for the birth, adoption, or fostering of a new child as a good starting point - paid for by the general fund, not new taxes.



Terri Cole (seated) and Bill Lee of the Gallup Chamber join other business leaders in opposition to the Paid Family and Medical Leave legislation.

GREATER ALBUQUERQUE CHAMBER OF COMMERCE

Legislative RoundUp

2025 Regular Session

Saturday, January 25, 2025

57th Legislature

Day Four

BREAKING NEWS January 25, 2025

**BREAKING NEWS: CALL TO ACTION!
ONEROUS PAID FAMILY MEDICAL LEAVE
BILL UP ON MONDAY**

SIGNATURE SUCCESSES: STOPPED LEGISLATION

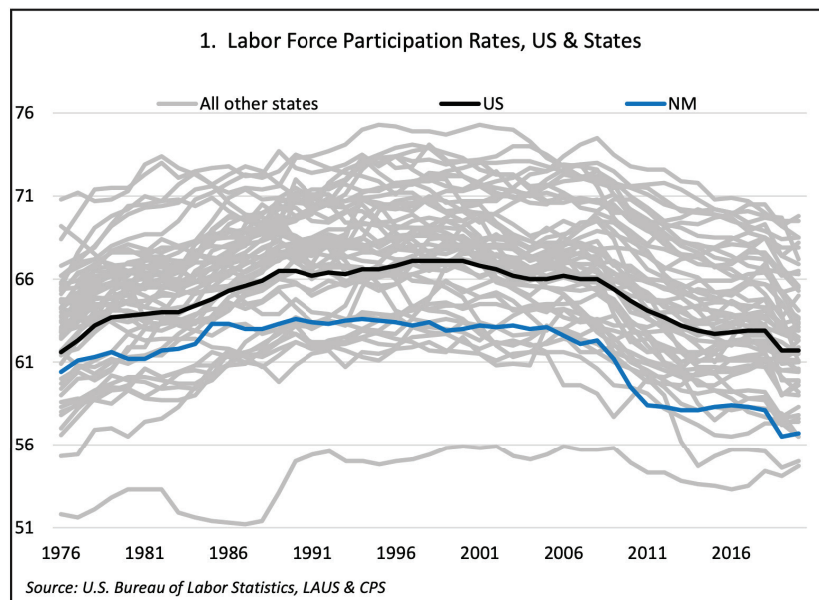
Keeping Business Competitive



NM'S LABOR PARTICIPATION RATE 5TH LOWEST IN THE NATION

Low labor participation rates signal an economy in need of growth. Increased taxes and regulations work against job creation and business expansion. Anyone watching the 2025 session from the outside would have been struck by the amount of unnecessary tax increases and onerous regulations that were proposed. The Chamber, along with its partners, especially the New Mexico Oil and Gas Association, and fellow chambers across the state, derailed onerous environmental and industry regulations along with massive tax increases. **For example, 19 top priority bills that would have significantly harmed energy production were killed in committee or amended to remove opposition.** In addition, here's a list of other major adverse legislation that was stopped.

The labor force participation rate (LFPR) is an important indicator of an area's economic health. It measures the percentage of the civilian noninstitutional population 16 years and older who are working or actively looking for work. Typically, a high LFPR reflects a healthy economy because a large proportion of the population is working or looking for work, and able to financially support themselves and their families. A high LFPR also reflects a larger labor pool making it easier for employers to find workers.



The “Green Amendment” that would have embedded so-called environmental rights into the state’s Constitution, unleashing untold numbers of lawsuits.



Increase in corporate income tax.



The “Zero Emissions” bill that would have dramatically altered the state’s economic structure.



Creation of a public bank.



A tax increase of half-billion on oil and gas excise taxes.



Lifting statewide moratorium on rent control.



Increase in minimum wage.



Increase in alcohol tax.

SIGNATURE SUCCESSES: STOPPED LEGISLATION

Healthcare Mandates and Education Governance

HEALTH CARE AND WORKFORCE

The steep decline in the availability of health care workers in New Mexico is an ongoing, very negative trend affecting not only patient care but business, families... well, everyone.

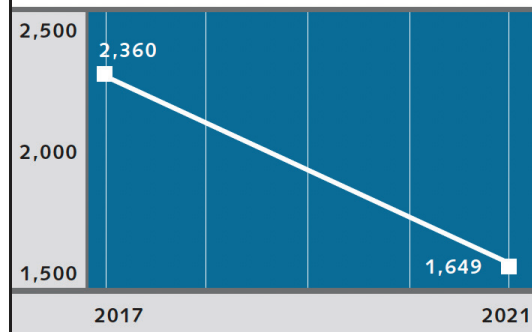
Some proposals would, if enacted, actually exacerbate the problem. Two bills which were particularly onerous died in committee as a result of the Chamber's and many other advocates' relentless lobbying efforts..

- **"Medicaid Forward"** - this measure would have resulted in a dramatic increase in the number of New Mexicans receiving Medicaid and further crowded out private health insurance, threatening the availability of insurance and raising insurance costs for everyone else. The bill was a definite budget buster for the State.
- **Mandatory Nurse-to-Patient Staffing Ratios** -It would take hiring nearly 6,000 more nurses to bring New Mexico up to just the national average on a per capita basis. Given this gaping chasm, requiring nurses to attend to fewer patients would likely result in closing the number of beds available.

We stopped bad workforce bills too. Sometimes the proposed fix is worse than the problem.

- **Higher Ed Executive Hires** - Legislation was sponsored to require higher education executive contracts be approved by the Board of Finance. The bill died in committee on a 8-0 vote because many feared that the bill would drive away qualified candidates away from our state.
- **Public School Governance** - whether elected or appointed, going back to a state board of education was advanced as a cure to NM's dismal education performance. The proposals would have injected more politics into public education - certainly not needed, hampered interagency collaboration on issues affecting children and families, and reduced accountability for our state's academic results.

Decline in the Number of Primary Care Physicians in New Mexico 2017-2021



Source: New Mexico Health Care Workforce Committee. 2023 Annual Report. October 1, 2023.

MISSED OPPORTUNITIES



Health Care Workforce Shortage

Though this is a prominent issue with substantial momentum, no significant action was taken on:

- **Medical Malpractice Reform** - A well-designed Senate bill was stymied in committee for six weeks and then promptly tabled at its first hearing. Med-mal insurance rates drive physicians away from NM.
- **Health Care Compacts Stonewalled** - 14 bills would have authorized New Mexico to enter interstate compacts that would have expanded access. All were stalled in the Senate.

Incentives - the Legislature failed to increase physician loan repayment assistance, expand tax incentives for rural health care workers and exempt medical payments from GRT.

Literacy Legislation – would have required individual reading plans and notification to parents when their child is struggling with reading.

Tax Lightning – A bill offering a middle ground to deal with rapidly accelerating assessed values failed on the Senate floor. Increased rents and diminished new construction are possible outcomes.

Number of Additional Health Care Workers Needed to Bring New Mexico Up to National Benchmarks

HEALTH CARE PROFESSION	NATIONAL BENCHMARK FOR NM	SHORTFALL
Registered Nurses & Clinical Nurse Specialists	19,443	5,704
Emergency Medical Technicians	6,763	4,967
Physical Therapists	2,010	526
Pharmacists	1,925	482
Primary Care Physicians	1,798	334
Physician Assistants	952	281
Certified Nurse Practitioners	1,775	231
Psychiatrists	339	119
Occupational Therapists	783	114
Dentists	973	88
Ob-Gyns	235	59

The health care professions included in this chart are selected from the limited number of professions that are tracked by the New Mexico Health Care Workforce Committee, so this should not be considered a comprehensive list. National benchmarks represent the total number of providers that New Mexico would need in order for the state to reach the national average of each type of provider, on a per capita basis. Shortfalls are calculated as the number of additional providers needed to reach the benchmark in all New Mexico counties, assuming no redistribution of current providers. Source: New Mexico Health Care Workforce Committee. 2023 Annual Report. October 1, 2023.



Key Public Safety Needs

Many bills that address the core of surging crime were defeated or never heard:

- **Keep Felons in Jail** - while they're awaiting trial for commission of another felony unless no threat to the public can be proven.
- **Possessing Firearms** - is illegal and penalties should be increased for possession.
- **Dealing in Stolen Weapons** - should have heavy penalties for organized crime offenders.
- **Theft of Weapons** - likewise should have increased penalties.
- **Harm to Self or Others** - standards should be modernized to replace revolving door release with diversion to treatment.
- **Home Invasion** - should be a crime as innocent victims are terrorized and robbed of peace of mind.
- **Fentanyl Trafficking** - must have increased penalties as this is the leading cause of death among young people.
- **Child exposure to dangerous drugs** - should be classified as child abuse.

No Tax Decreases – serious consideration was not given to any form of tax reform or relief to be paid from the budget surplus. A \$400 million tax shifting proposal failed.

THE CHAMBER'S INFLUENCE IN SANTA FE

Greater Albuquerque Chamber of Commerce

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.

SHAPING LEGISLATIVE OUTCOMES: what leaders say about the Chambers' influence

"The Chamber continues to be an important voice at the table for business during our legislative sessions. I appreciate the Chamber's influence to constructive dialogue even when we find ourselves on different sides of an issue. This last session their collaboration, especially on infrastructure issues, was very helpful."

– **Senate Majority Leader Peter Wirth (D-Santa Fe)**



"We truly appreciated working with the GACC this year to understand and stop some of the most egregious legislation that would have created undue burdens on businesses. The Chamber continues to be a valued partner in fostering economic growth in our state."

– **Senate Minority Leader Bill Sharer (R-San Juan)**



"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.**

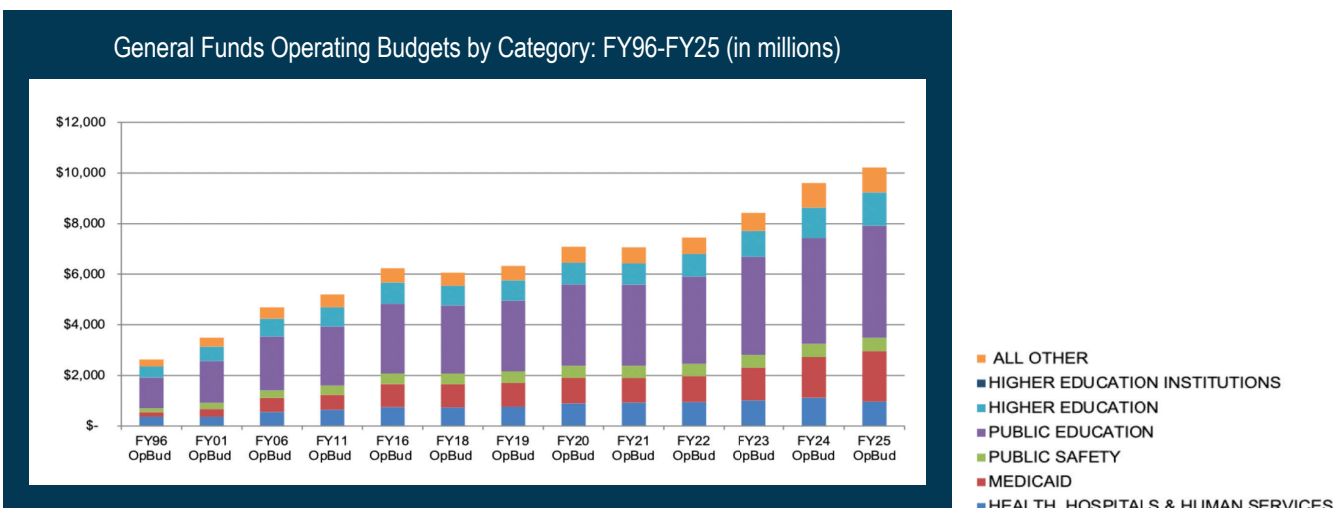


THE STATE BUDGET

STUNNING RATE OF GROWTH

OVERVIEW

- From 2020-25 the general fund has grown 60%.
- FY 2026 budget is \$10.8 billion (a 6% increase); total revenues for FY 2026 once again exceeded \$13 billion.
- \$300 million stashed in Behavioral Health fund - Medicaid trust fund got \$100 million.
- Total state reserves are about \$3 billion or 30% of ongoing spending.
- \$9 billion Early Childhood Trust fund funds \$300 million/ year or about 1/3 of department budget.



EDUCATION AND MEDICAID

- Public education funding has skyrocketed, consuming about half of the general fund.
- Medicaid, the second-largest chunk of the general fund, supports 40% of NM's citizens that are enrolled.
- The feds pay about 73% of Medicaid costs
 - 1% reduction = \$77 million loss to the state
 - a \$1 billion cut is conceivable.
- NM receives about \$14.5 billion directly from various federal programs.
- Total fed and state spending is about \$33 billion per year. Medicaid isn't the only area vulnerable to federal cuts.

BUNGLED TAX PACKAGE

- Despite record budget surpluses for several years, legislators spent or stocked away all new money, without choosing to allocate any of it toward tax reductions for families or businesses.
- The House proposed \$400 million tax increase on oil to eliminate personal income tax for lower and middle income taxpayers.
- Democrat and Republican Senate leaders stripped the tax increases and the PIT reductions in favor of other tax reductions.
- The House rejected amendments and a compromise that eliminated the oil tax increase, kept the alcohol increase and funded a few agreed-upon tax measures was sent to the Governor who vetoed the bill.

CAPITAL OUTLAY – \$1.2 billion was appropriated (\$770 million from the general fund) for more than 6,000 new and existing projects costing around \$7 billion. Inadequate project completion and lack of project prioritization continues to plague the state's capital outlay system.



Senate Minority Leader William Sharer, left and R-Farmington, talks with Senate Majority Leader Peter Wirth, D-Santa Fe, on the Senate floor during debate on a bill creating a new state trust fund for Medicaid. The bill, Senate Bill 88, passed the chamber on a 37-0 vote and was signed into law.



Sen. David Gallegos, R-Eunice, left, congratulates former Sen. Steve Neville after he was confirmed as a regent for Western New Mexico University on March 14.



Dr. Barbara McAneny, center, a medical oncologist in Albuquerque and Gallup, listens to debate on a bill to reform medical malpractice during a Senate Health and Public Affairs Committee meeting. The Legislature took no action this session to update the state's medical malpractice law, which is cited by many health care professionals as a reason not to practice in New Mexico.



Darci Romero, mother of Adrian Maestas Jr., and Joseph Romero, Adrian's stepfather, attend a memorial for victims of homicide in the Rotunda of the Roundhouse. Adrian Maestas Jr. was killed in Rio Rancho in November. Several families of victims of homicide attended the 10th memorial organized by Rep. Nicole Chavez, R-Bernalillo.



Cmdr. Gerard Bartlett with the Albuquerque Police Department listens while other law enforcement officers speak in support of a legislative crime package during a meeting of the Senate Judiciary Committee.



Thaddeus Littlefield, 16, and other members of the High School Mixed Choir at Public Academy for Performing Arts in Albuquerque perform in the Rotunda of the state Capitol on Feb. 10 for Public Charter Schools of New Mexico Day at the Legislature. The event included comments by legislators and performances by schools.

LOOKING AHEAD TO THE 2026 LEGISLATIVE SESSION

Governor's Last Session

30-day sessions are limited to fiscal matters, except for what the governor puts "on the call." The short time frame makes passing complex legislation problematic unless legislative leadership is aligned. The leadership of House and Senate have frequently been at odds – witness the tax bill debacle – so alignment may be elusive. The governor will want to round out her legacy by enacting her remaining priorities. Additional public safety measures and the "zero emissions" bill are top of her list.

Special Session – may precede the next 30-day session. The governor is considering a possible special session in September if significant federal Medicaid cuts are made. She would also like to consider public safety measures but has had no luck in convincing lawmakers to do so. The Governor is holding many cards for her last session. It remains to be seen how a special session may spill over into the regular session coming up.

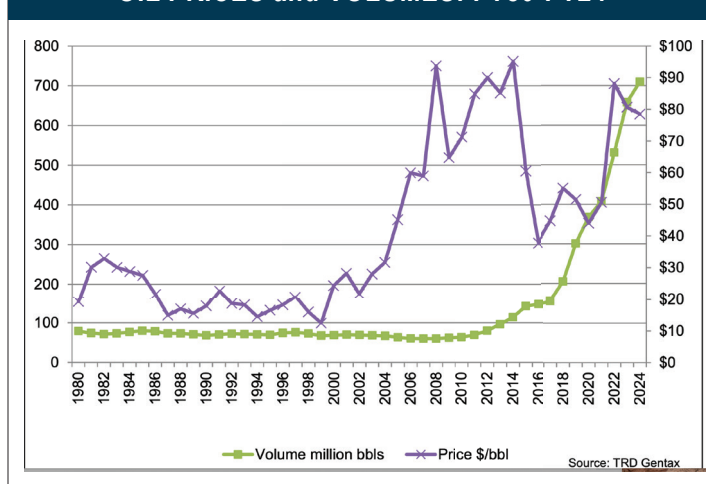


Budget Worries – A black cloud will envelop budget writers if substantial federal cuts materialize and/or the economy falters. Lower oil prices would hurt the budget but help consumers. The current consensus economic forecast assumes an oil price of \$68 per barrel. Recently prices have declined to the low \$60's. A \$61-per-barrel price would reduce state revenues by about \$430 million. Oil and gas revenues contribute over 40% to the general fund. For each drop of \$1 per barrel, the state loses about \$60 million. Reserves can cover these kind of "rainy day" developments, but would dampen the ability to expand spending and raise concerns about future budgets. The era of bumper-crop budgets could soon come to an end.

The Assault on Oil and Gas Industry

It was literally a daily battle to defeat punitive taxes, fees and regulations. On display was a cavalier attitude that imagines "no matter what we do, our oil is so good, the industry will stay in New Mexico." If falling prices pinch profits, producers will locate where they can get the best deal. The oil and gas industry has displayed remarkable progress in reducing pollution and developing many innovative technologies and techniques. It would seem collaboration would yield more progress than continued confrontation. It remains to be seen if the harsh treatment will recede.

OIL PRICES and VOLUMES: FY80-FY24



The membership of the Legislature come predominately from the public sector. Only a small minority have private sector experience in "meeting payroll." Consequently, it is difficult to develop support for incentives, tax structures, public-private partnerships and other initiatives that would advance New Mexico's competitiveness in attracting residents, business investment and growing the economy. An ongoing challenge, and one we do not see diminishing, is the need to defend the business community from policy proposals that impose burdensome costs and regulations.

The Governor exhibits a more balanced approach, recognizing New Mexico needs private sector growth. We do see the likelihood of dysfunction continuing with the leadership of the two chambers often at odds and at odds with the Governor, especially on the House side. Dysfunction can be one's friend if the aim is to stop legislation but not if the goal is to pass needed changes. Therefore, passing complicated juvenile justice reform and other crime fighting legislation, for example, will be a stretch.

Energizing New Mexico's Talent Pipeline

PNM is committed to developing our local workforce through education, training, and career pathways that keep New Mexico's brightest talent right here at home.



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