INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

1.21.2026

INTRODUCTION

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.** Prior to each legislative session, the Chamber's Board of Directors approves a policy agenda – presented herein – that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2026 legislative session will convene under fiscal conditions not seen in five years: for the first time since the state's unprecedented revenue surge began, New Mexico is projected to collect less money in the current budget year than it did in the year just ended, requiring lawmakers and the governor to make decisions within tighter constraints than they have faced since 2021. Recurring revenues for FY26 are projected to be $13.4 billion (a figure that is flat-lining, though still $2 billion higher than the likely size of the state's next budget, leaving lots of one-time money available to be spent or saved.) New revenue estimates recently released predict legislators will have $105.7 million in "new" money available next year- a figure that represents the difference between projected revenue and current total spending levels. For reference, the amount of new money projected at the same point in time one year ago was roughly $892 million. For the coming year, the Governor plans to raise year-over-year state spending by $503 million (a 4.6 % increase), higher than the Legislative Finance Committee's (LFC) plan for $268 million in new recurring spending (a 2.5% increase). The Governor's recommendation for FY27 reserve balance is 30.4% totaling $3.4 billion, while the LFC recommendation for reserves is 32% totaling $3.6 billion. While hardly a doom-and-gloom forecast, this revenue cool-down signals that lawmakers are enroute to a more tight-fisted approach to budget requests than they've taken in years.

As revenue cools, New Mexico's fundamental economic challenges remain unchanged: growth outside the oil and gas industry is tepid, our population is stagnant, and workforce participation lags most other states. Since 2019, state spending has increased by 70%, fueled by the oil production boom- funding new initiatives like tuition-free college and setting aside significant amounts in trust funds for future use. New Mexico now boasts the nation's second-largest sovereign wealth fund behind only Alaska, with $64 billion in various funds. But soaring energy revenues will not last forever, making it all the more urgent that lawmakers use this moment- while the state still has resources to invest- to build a more dynamic and competitive economy that is sustainable for the long haul. With so much already committed, it's imperative that these investments prioritize responsible growth in programs and services that result in better outcomes for New Mexicans. We must make every dollar count.

New Mexico is already a beautiful place, rich in diversity, culture, history, weather, and natural resources. We envision a state with increasing safer streets, stronger schools, lower taxes, and improved access to healthcare; such a state would be a powerhouse economically and one of the very best places to start a business, work, live, and visit. May that be our North Star this session.

The Chamber's primary goal for the 2026 session is to encourage lawmakers to position our state to better compete for new businesses, workers, residents, and visitors. Competition is a choice, and in New Mexico's case, it will require leaders to prioritize and address a set of serious challenges that currently put our state at a competitive disadvantage. Specifically, the Chamber will work to:

Make New Mexico a Safer Place

Our well-earned, high-crime reputation makes our state a less welcoming place for businesses to locate and deters people from choosing to live and work here. Too many talented workers leave the state, and existing businesses struggle to recruit people to New Mexico to fill their workforce needs. The Chamber believes drug addiction and other behavioral health disorders are a key driver of the state's crime problem and will support increased investment in addiction services and treatment.
However, lawmakers should also make it harder to be a criminal in New Mexico and attack the large-scale fentanyl trafficking that contributes to our addiction problems. The Chamber supports increasing penalties for the illegal possession and use of firearms, closing the revolving door that so easily lets violent teenagers and dangerous people battling mental health disorders back onto the streets, adding to the ranks of our police and prosecutors, and investing in the wider use of crime-fighting technology.

Ensure New Mexico Families have Access to High-Performing Public Schools Run by Great Leaders

When schools are run by talented leaders, they can recruit and support high-performing teachers and create a culture of high expectations that leads to student success. This notion is research-backed and at the center of the Chamber's belief that the best way to improve the performance of our education system is to turn it around one school at a time. The Chamber supports the launch and expansion of high-quality public charter schools and continued, steady expansion of high-quality early childhood services. The Chamber will continue to back the Governor's and Legislature's focus on early literacy, including requiring reading instruction rooted in best practices, mandatory interventions for struggling readers, and high-

quality instructional materials in every school. Ultimately, to compete economically, businesses growing in New Mexico must be able to find great public schools for workers they recruit, and New Mexico students must become better prepared for successful careers.

Make New Mexico a More Attractive Place to Practice Medicine, Add to Our Healthcare Workforce

It's not really healthcare if it's hard to find a doctor and medical appointments take months to schedule. New Mexico's dire shortage of healthcare workers – from primary care doctors to specialists to nurses of all types – threatens our economic future in a big way. A state with unsafe streets, low-performing schools, and a lack of access to basic healthcare will be a hard place to bring new jobs. The Chamber supports a package of proposals to make New Mexico competitive and attractive for healthcare workers – including eliminating the GRT on medical appointments, joining interstate healthcare compacts to make it easier to move to New Mexico and practice medicine, significantly expanding loan repayment incentives to keep doctors practicing in the state, and overhauling a medical malpractice system that is uncommonly punitive toward doctors and sending our healthcare workers to other states.

Protect Small Businesses from Additional Costly Burdens, Mandates, and Taxes

Small businesses are the backbone of New Mexico's economy- in both large cities and small towns, yet they operate on thin margins and cannot absorb new mandates, regulatory burdens, or higher taxes. We ask legislators to carefully consider the cumulative impact of regulations on small employers before adding new requirements. The repeatedly-defeated family and medical leave mandate is a prime example- while a more limited concept focused specifically on parental leave for the birth of a child might have merit, recent (and likely future) proposals would impose brand new taxes on workers and businesses and place enormous compliance burdens, and impractical employment demands on small businesses. Before passing higher taxes, new mandates, a higher minimum wage, and onerous new regulations, the Legislature should ask: will this make it harder for a small business to survive and grow in New Mexico? If the answer is yes, it's the wrong approach.

Build Big: Prioritize High-Impact Infrastructure Investments, Including Housing Stock

New Mexico is sitting on a historic surplus thanks to oil and gas revenues, yet too often our capital outlay process scatters funding across small projects that fail to move the needle. We urge the Legislature to think differently- to prioritize bold, large-scale infrastructure investments that deliver measurable economic impact or solve significant policy challenges. This means using all available tools, including bonding, to fund transformative projects rather than spreading resources thin. Whether it's water infrastructure, our transportation system, or investments that strengthen our economic development- like increasing New Mexico's housing stock to make housing more affordable, New Mexico should be building for the future- not just maintaining status quo. The Chamber will continue to support a new medical school for the state at UNM, additional appropriations for the Rail Trail and Balloon Fiesta, a new Football Stadium at UNM, and additional funding for road construction and maintenance, among other projects.

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NEW MEXICO'S BUDGET AND FISCAL FUTURE

SPENDING

- **Priorities:** Boosting economic development initiatives and incentives; Maintain current Medicaid provider reimbursement rates, expand physician loan repayment incentives, eliminating gross receipts taxes on medical appointments, and other incentives to attract, develop, and retain a larger healthcare workforce; high-quality literacy instruction and charter school expansion; coordinated crime-fighting and behavioral health treatment; and large-scale capital projects.

- **Salary Increases:** Given the tightening of recurring revenue, provide limited salary increases for state employees and teachers, while maintaining and strengthening incentive pay for law enforcement officers.

- **Capital Outlay Projects:** Focus capital spending on large-scale infrastructure projects (roads, water systems, buildings, etc.) that have a sizable economic impact, address a policy problem, and local governments often cannot afford themselves. At the end of FY25, outstanding capital balances totaled an estimated $7.2 billion across 6,000 projects.

SAVING AND INVESTING

- **Endowments and Trusts:** Preserve endowments and trusts which provide sustainable, long -term funding streams for critical programs, but thoughtfully balance these investments with adequate direct funding to address urgent needs or investments that could find us a better result.

- **Severance Tax Permanent Fund and Early Childhood Endowment Fund:** Preserve the basic structure of the Severance Tax Permanent Fund and Early Childhood Endowment Fund, which collect excess oil and gas revenue and provide a strong fiscal safety net for the state budget.

- **Government Results and Opportunity Fund (GRO)**: Preserve the Government Results and Opportunity Fund (GRO) established in the 2024 legislative session. The Fund was created to support evidence-based programs that deliver measurable outcomes in key areas like behavioral health, education, and public safety.

ECONOMIC GROWTH AND JOB CREATION

- **No Tax Increases:** Enact no new or higher taxes on residents or businesses.
- **No Increase in Wage/UI Rates:** Oppose raising the minimum wage (including indexing the minimum wage rate) and raising unemployment insurance rates.
- **Liquor and Soft Drink Excise Taxes:** Oppose taxes on liquor and soft drinks at the manufacturer or wholesale level. New Mexicans pay among the highest liquor taxes in the nation.
- **Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, including higher taxes, increases to various rates, or additional exposure to lawsuits.
- **Commercial Property Tax Reform**: Support a measured approach to bringing commercial property tax rates in line with fair market assessments, while protecting business stability through a multi-year transition period.
- **Paid Family Medical Leave Requirements:** Oppose the enactment of an onerous paid family medical leave proposal that would create a new tax on businesses and employees each year, increase the overall cost of labor in New Mexico, add significant cost and burden to employers to find replacement workers (at a time of widespread workforce shortages), and lead to significant workplace disruptions across the economy year after year – affecting employers and employees alike.

GROWTH: INCENTIVES AND MARKETING

- **Job Training:** Secure $5 million for the Job Training Incentive Program (JTIP).
- **Closing Fund (LEDA):** Secure $10 million to maintain a robust closing fund for economic development projects, a critical business recruitment tool.
- **New Mexico Partnership:** Support the New Mexico Partnership request of $2 million. The Partnership plays a key role in attracting new businesses and creating high-quality jobs.
- **Quantum Initiative**: Support multiple appropriations aimed at establishing New Mexico as a national leader in quantum computing research, testing and commercialization through leveraging our competitive advantage due to having outstanding national labs and superior research universities. Funding initiatives will, among other things, further support workforce development and growth of companies with strong local presence. Specifically, support $49.3 million for the Quantum Benchmarking Initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA).

- **Military Base Planning Commission Project Fund**: Support a $12 million appropriation to launch a special fund for infrastructure projects adjacent to military bases that could help attract new base missions to the state.

- **Tourism Marketing:** Secure $18 million for national and international marketing and advertising campaigns to showcase New Mexico's tourist industry.

- **Artificial Intelligence:** Oppose HB 28, which regulates artificial intelligence in a manner that would make New Mexico less competitive in developing this sector and have a chilling effect on business innovation.

HOUSING

- **Increase Housing Stock**, including zoning reforms, which will increase New Mexico's housing stock, and thus, make housing more affordable. The housing stock is short 13,000 to 28,000 units in Albuquerque alone and in New Mexico the state is estimated to be short 32,000 units.

    - **Eliminating Restrictions on Building Height:** Support prohibiting the regulation of height and the number of stories of buildings and other structures.

    - **Prohibiting Minimum Parking Mandates**: Support prohibiting the imposition of minimum number of parking spaces (besides handicapped spaces).

    - **Restricting Appeals of Zoning and Planning Authorities**: Support allowing only adjacent landowners to file an appeal of planning and zoning decisions.

    - **Development of Duplexes and Townhomes**: Support allowing duplexes and townhouses in all residential and mixed-use zones; prohibit local governments from banning them.

    - **Allow Small Scale Commercial Uses**: Support allowing small-scale commercial uses in residential zones; prohibit local governments from banning retail, food and beverage, or professional offices.

    - **Allow Multigenerational Housing:** Support allowing multigenerational housing; prohibit local governments from banning detached dwelling units on single family lots.

    - **Create Demolition Fund**: Support providing funding or reimbursement for demolishing condemned residential properties.

    - **Public Land Disclosure and Accountability Act**: Support requiring governmental agencies to disclose the land they own along with a stated purpose; any parcel that does not fall within its purpose shall be put up for sale.

    - **Allow Residential Apartments in Commercial Zones**: Support allowing residential apartments in commercial zones; prohibit local governments from banning them.

ENERGY AND INFRASTRUCTURE

ENERGY

- **Oil and Gas Production:** Oppose the imposition of onerous regulations, additional taxes, or significant new fees on energy industries, preserving an all-of-the-above energy policy for the state.

- **Reclamation Fund:** Support the refunding of the Reclamation Fund through a reconfiguration of what is already being paid, through the Conservation Tax, to ensure the proper and timely plugging of orphaned wells throughout the state.

- **Solar, Wind, Nuclear, and Other Energy Industries**: Oppose the imposition of onerous regulations, additional taxes, or significant new fees.

- **Research and Development Tax Credit:** Support expanding the R&D Tax Credit to allow those with an Industrial Revenue Bond to qualify. Companies that have secured IRBs have already undergone a rigorous vetting process, demonstrating their commitment to significant capital investment and job creation in our state. Extending R&D tax credit eligibility to these companies aligns our incentive structure and reinforces the state's original decision to invest in their success. Our tax policies should work together to close gaps and retain innovative companies.

- **Advanced Energy Equipment Tax Credit:** Support expanding New Mexico's Advanced Energy Equipment Tax Credit to include companies that produce fusion energy products. Fusion technology represents the next frontier of clean energy innovation, and New Mexico is positioning itself as a national leader in this emerging industry. Including fusion producers in this tax credit ensures our incentive structure keeps pace with advancing technology and signals to the market that New Mexico is serious about supporting the full spectrum of advanced energy development.

- **C-PACE Eligibility for IRB Recipients:** Support allowing companies that hold Industrial Revenue Bonds (IRBs) to qualify for Commercial Property Assessed Clean Energy financing. C-PACE provides long-term, fixed rate funding for energy efficiency, renewable energy, and resiliency improvements-exactly the types of investments many IRB recipients are making. Companies that have already secured IRBs have demonstrated their commitment to significant capital investment in New Mexico.

- **Environment Amendment:** Oppose a constitutional amendment referred to as the "Green Amendment" that relates to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would lead to endless and costly lawsuits that would impact the state's fiscal and economic health and shift policymaking on energy and environmental matters into the courts and away from the legislative and executive branches.

- **Public Power Utility**: Oppose legislation designed to explore or enact the creation of a public utility.

- **Private Equity Ownership and Control of Utilities**: Oppose a study of private equity ownership and control of utilities as it is unnecessary. The Public Regulation Commission already has full oversight authority over utility operations, rates, and ownership structures. A legislative study duplicates existing regulatory functions and diverts resources from current energy priorities.

- **Clear Horizons Act:** Oppose the Clear Horizons Act. The 2025 legislation would mandate aggressive greenhouse gas emission reductions- 45% by 2030, 75% by 2040, and 100% by 2050 – without providing viable pathways for businesses to comply. The bill grants sweeping regulatory power to the Environmental Improvement Board, creating uncertainty for employers across multiple industries. New Mexico's current energy infrastructure cannot sustain rapid compliance with these mandates, and without realistic solutions, businesses will be forced to cut jobs or leave the state.

INFRASTRUCTURE

- **Strategic Water Supply Fund:** Support the Governor's request for $65 million for the Strategic Water Reserve Supply Fund, which will invest in brackish water to improve drought resilience and support clean energy-without imposing onerous new taxes on the oil and gas industry.

- **Highways and Roads:** New Mexico's transportation infrastructure is critical to economic competitiveness, public safety, and quality of life. Years of underinvestment have left our roads in serious disrepair. The Chamber supports the LFC's recommendation to appropriate $328 million from the general fund to transportation projects, equipment and maintenance– a debt-free investment in our roads. Additionally, the Governor is recommending a $1.5 billion bonding package for major road projects, which the Chamber also supports, recognizing that while bonding increases state debt, the magnitude of our transportation needs justifies this investment.

- **State Fairgrounds Investment:** Support the Governor's recommendation for $100 million for State Fair site selection, property acquisition, construction, and another $100 million for State Fairgrounds revitalization projects- funded through nonrecurring general fund revenue or severance tax bonds.

- **Key Capital Projects:** Support various capital funding requests, which would contribute to our state's economic development and growth, including:

    - **UNM Medical School:** $600 million ($150 million from the general fund) to construct a larger and state-of-the-art medical school for the state, a key project in the fight to build a larger physician base (more information included in the next section)

    - **UNM Football and Multipurpose Stadium:** $50 million to complete Phase One of a significant renovation and re-build of University Stadium at UNM (more included in the next section.)

- **Rail Trail-Downtown Albuquerque:** $25 million to continue the construction of a multimodal path in Albuquerque's broader downtown area, connecting the historic ABQ Railyards, downtown proper, the Sawmill district and Old Town, museums and cultural centers and the bosque trail.

- **Balloon Fiesta Improvements:** $18 million for facility upgrades relating to the Balloon Fiesta, New Mexico's premier tourist event.

- **Other Projects**: **City of Albuquerque**, Gateway System/Homelessness Support Investments, $27 million; Transitional, Supportive, and Affordable Housing Investments, $13 million.

- **Other Projects: Bernalillo County,** $2 million for an Advanced Public Safety Training Center, $2 million for Technology for Crime Prevention and $5 million to expand the Mesa del Sol Regional Outdoor Sports Complex.

WORKFORCE, HEALTHCARE, AND HIGHER EDUCATION

- **Healthcare Workforce Expansion:** Support initiatives – including statutory changes and appropriations – designed to grow New Mexico's healthcare workforce and make our state a more welcoming, hospitable, and financially viable place to practice medicine.
  This would include:

  - **GRT on Medical Services and Rural Care Tax Credit:** Permanently repeal the state's gross receipts tax on medical services (a tax that creates a serious competitive disadvantage to practicing in New Mexico) and expand the Rural Care Tax Credit.

  - **Health Professional Loan Repayment Program:** Secure $25 million to expand the use of loan repayment as a key incentive for attracting doctors to practice in New Mexico and keeping them here.

  - **Medical Malpractice Reform:** Support reforming the state's medical malpractice act (which currently discourages physicians from practicing in New Mexico) by capping attorney fees; raising the legal standard for awarding punitive damages and capping them; and prohibiting the filing of multiple malpractice lawsuits over a single injury. New Mexico currently has the second highest number of medical malpractice lawsuits per capita in the U.S.

  - **Interstate Healthcare Worker Compacts:** Support New Mexico joining all ten interstate healthcare worker compacts so that doctors, psychologists, and other providers licensed in other states can more easily provide care to New Mexico patients, including via tele-health.

  - **Medicaid Reimbursement Rates:** Maintain the current Medicaid reimbursement rates to healthcare providers. New Mexico has a higher proportion of patients insured by Medicaid than any other state, and Medicaid generally pays less than the cost of providing treatment.

- **Healthcare-related CTE:** Increase the number of home-grown healthcare workers by expanding access to healthcare-related career and technical education in high school, providing more opportunities for students to earn certifications in high school (e.g. as EMTs or nurse assistants), and providing liability protections to employers that participate in providing CTE opportunities for students.

- **New UNM Medical School**: Support $600 million for a larger and state-of-the-art new medical school for the state at the University of New Mexico from a combination of the following revenue sources: capital outlay, the public education fund, the GRO fund, and other sources of nonrecurring revenue, including $150 from the general fund.

- **Oppose the "Medicaid Forward" Initiative:** Oppose the "Medicaid Forward" initiative, which would allow New Mexicans whose income levels exceed current Medicaid thresholds to access Medicaid (on a sliding-scale pay model). This would destabilize the private commercial insurance market, create a projected budget shortfall of $232M-$581M, and represent a major step toward a single-payer health system.

- **Mandating Nurse Ratios:** Oppose legislation mandating nurse staffing ratios in healthcare facilities, a policy that- in practice- would significantly reduce access to healthcare.

- **UNM Football and Multipurpose Event Stadium:** Support a $50 million capital request for significant renovation and improvements to University Stadium at UNM, with the goal of creating a stadium that rivals NCAA programs in power conferences and can host other sporting events, concerts, and attractions. At 65 years old, University Stadium is long overdue for a major overhaul, and the quality of a university's facilities is critical to competing for conference positions. The 2025 football season demonstrated what Lobo Football can mean to New Mexico- renewed excitement, packed stands, economic activity, national attention, and a sense of pride that extends well beyond campus and the city of Albuquerque.

- **Central New Mexico Community College**: Support the LFC recommendation for $15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM.

- **Collaborative for Higher Education Shared Services (CHESS):** Support $18.6 million in funding to complete the final year of the Collaborative for Higher Education Shared Services (CHESS) project. CHESS is as nonprofit organization that aligns student services and key business processes across member colleges using a shared, integrated Enterprise Resource Planning and Student Information System. Member colleges- CNM, Clovis Community College, Northern New Mexico College, San Juan College, and Luna Community College- are now live in Workday technologies for Finance, Human Resources and Payroll, launching on time and in budget as the first collaboration of its kind in the nation.

- **Workforce Development and Apprenticeship Training Trust Fund:** Support an annual appropriation of $2.5 million to the Public Works Apprentice and Training Fund and a $2.5 million annual appropriation to Workforce Solutions Department for the Apprenticeship Assistance Act. The "step-down" funding in statute is replaced with predictable, sustained funding.

PUBLIC SAFETY AND BEHAVIORAL HEALTH

PRE-TRIAL RELEASE, JUSTICE SYSTEM REFORMS, AND CRIMINAL PENALTIES

- **Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, serious violent offenses; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders or those on court-ordered supervision.

- **Juvenile Justice Reforms:** Violent crimes committed by young people are at a record high in New Mexico. Support reforms that hold juvenile offenders accountable and intervene early to prevent future crime like extending the state's jurisdiction to enforce probation or provide services for young people who commit crimes at ages 21 to 25. Support increased penalties for youth perpetrators of violent crimes; mandatory minimum sentences for only certain serious offenses; and expanding the Serious Youthful Offender category to include second-degree murder, allowing youth convicted of this crime to be sentenced as adults (currently, only first-degree murder qualifies.) Tougher accountability measures serve both public safety and the long-term interests of young offenders by deterring criminal behavior before it becomes a lifelong pattern.

- **Criminal Competency Changes:** Support changes in the justice system that require involuntary commitment proceedings against repeat criminals with severe mental health disorders (currently, many of these individuals are simply released from jail and repeatedly made available to commit other crimes).

- **Fentanyl Crisis:** Support legislation that would amend the Controlled Substances Act to include fentanyl and increase penalties for those who traffic fentanyl in New Mexico.

- **Illegal Firearm Possession by a Felon:** Make the crime of being a felon in possession of a firearm a second-degree felony, punishable by a minimum of nine years in prison.

- **Human Trafficking:** Support increased penalties, strengthen law enforcement surveillance in prosecution of human traffickers, increase border security efforts to identify trafficking operations, and disrupt trafficking networks, like stash houses. Extend the definition of human trafficking so that prosecution is not so reliant on victim testimony.

- **Release Pending Appeal:** Support legislation ensuring that anyone convicted of a capital or serious violent offense shall not be entitled to release pending appeal of their conviction.

- **Violations of Conditions of Release:** Pass legislation requiring pretrial services agencies to notify crime victims, the court, the prosecutor, and a defendant's counsel when someone who has been charged with a crime violates their pretrial conditions of release. Additionally, clarify that pretrial release and supervision records are subject to the Inspection of Public Records Act.

- **Felony Warrant Enforcement Program:** Support the Governor's recommendation for $3 million for felony warrant enforcement operations in Bernalillo County. The statewide felony warrant program has demonstrated its value in addressing violent crime-including 44 arrests on murder charges alone.

RESOURCES AND SUPPORT FOR VICTIMS AND LAW ENFORCEMENT

- **Artificial Intelligence - Deep Fake Images:** Support HB22 which addresses a growing threat enabled by artificial intelligence technology: the creation and distribution of sexually explicit deepfake images without consent. This legislation adds synthetically generated images to existing protections under state law and includes enhanced protections for children.

- **Artificial Intelligence-AI Accountability Act:** Support legislation to make sure artificial intelligence is used responsibly and honestly. New Mexico businesses and individuals increasingly rely on AI tools to remain competitive, improve efficiency, and serve customers. At the same time, bad actors using AI for fraud, impersonation, and misinformation pose real threats to individual and business reputations. The legislation would require AI-generated content- including images, videos, and audio- to include embedded digital labels identifying when it was made, what system was used, and where it was posted. This provides individuals and law enforcement a way to identify bad actors using AI. The bill establishes a right to sue for individuals or businesses harmed by malicious AI-generated content and designates the Office of the Attorney General as the regulatory authority. The bill also creates a one-year sentencing enhancement where generative AI is used to assist in the commission of a felony (e.g. forgery, fraud, or extortion).

- **Governor's Organized Crime Commission:** Secure $2.5 million in funding to maintain the Governor's Organized Crime Commission operations which works to suppress organized crime in the areas of human trafficking, drug trafficking, illegal cannabis operations, gun smuggling, and retail theft.

- **Public Safety Technology, Equipment and Facilities:** Support various agency requests for law enforcement funding, including:

    - **State of NM (DPS):** Purchase vehicles and in-car and body-worn camera systems ($6 million); $1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics.

    - **Local (APD):** $2.5 million for police vehicles, $10 million for technology at the real Time Crime Center, including but not limited to: drones, license plate readers, gunshot detection systems and cameras, and $1 million for on-body recording devices, computers and tasers.

- **Local (BCSO):** $2 million for a Shooting Range and $3 million for technology for Crime Prevention.

BEHAVIORAL HEALTH

- **Harm to Self and Others Definition:** Support legislation clarifying the definitions of "harm to self" and "harm to others" in New Mexico's Mental Health and Developmental Disabilities Code. Current statutory language is vague and makes it difficult for judges to determine when an individual poses a genuine risk. Clearer, more specific definitions will help courts intervene earlier with individuals experiencing mental health crises- protecting both the individual and the public while ensuring appropriate treatment is provided before a situation escalates**.**

K-12 EDUCATION

STUDENT LEARNING, EARLY CHILDHOOD, AND OPTIONS FOR FAMILIES

- **Improve Literacy Instruction:** Require reading to be taught in New Mexico schools in alignment with proven practices that are currently leading to big jumps in reading proficiency in other states, such as Mississippi and Louisiana; additionally support the Governor's recommendation of $30 million for a reading intervention program based on the" science of reading," and $14.5 million to provide literacy coaches in select elementary schools.

- **Improve Math Instruction:** Only 1 in 4 New Mexico students can do math at grade level. Support legislation that requires a K-3 math screener to identify learning challenges early, parent notification when students are behind, and individualized math support plans.

- **Individual Reading Plans and Parental Notification:** Require schools and teachers to more comprehensively notify parents about their child's reading proficiency and work with parents to establish individual reading plans (IRP's) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. work with parents to establish individual reading plans (IRPs) for the lowest-performing K-2 students; early literacy is the foundation for all future academic success. Require Public Education Department to release statewide assessment data by September 1.

- **High-Impact Tutoring:** Require high-impact tutoring for the lowest-performing students in grades 3-8; this kind of tutoring represents one of the most effective interventions for accelerating student learning and closing achievement gaps.

- **Early Childhood Education and Care:** Support significant expansion of funding for Pre-K, designed to increase the number of three-year-olds, in particular, enrolled in educational programming prior to kindergarten, and support an increase in funding for high-quality child care centers, which help to improve labor force participation, provide critical support for low-income families, and provide a positive developmental environment for children.

- The Governor proposes an additional $160 million in total spending for Universal Child Care to ensure that New Mexico provides no-cost child care for every family regardless of income. The LFC proposes a 4.5% or about a $10 million increase in additional general fund spending that includes expansions for home visiting services to new families, prekindergarten, and rate increases for service providers in the Family, Infant and Toddler program for children with certain health risks. The Chamber will be active in negotiations.

- **Public Charter Schools:** Oppose any measure that would limit or stop public charter schools from opening, expanding, or replicating; oppose any measure that would cap or limit enrollment in charter schools. Over 7 in 10 New Mexicans support the expansion and development of public charter schools, support that extends across all parties, income levels, and regions of the state.

- **Charter School Facilities:** Support adding $20 million to the revolving loan fund for charter school facility projects; this funding would address critical facility needs through a fiscally responsible, self-sustaining fund structure. Additionally, attach a CPI adjustment to charter school lease assistance funding, allowing grow over time (currently, lease assistance cover less than 2/3rds of the actual cost of charter school facilities.

- **Adequate Funding for High-Performing Charter Schools:** Prevent funding cuts to some of our state's highest-performing public schools (which happen to be charter schools) that occurred as a result of funding changes last session.

- **Student Transportation:** Ensure public charter schools have access to adequate transportation funding for students, beginning in the first year of a school's existence and strengthen requirements for charter district transportation partnerships.

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